HUMAN EVENTS

YOUR WEEKLY WASHINGTON REPORT

ol. XXIX, No. 24

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June 14, 1969

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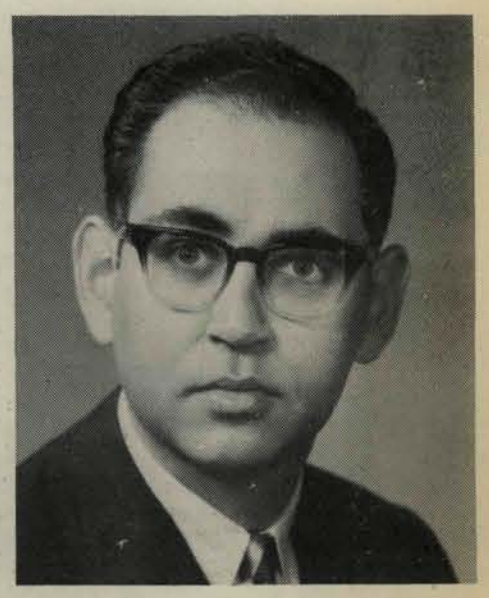
Prominent Lawmakers Involved

Left-Wing Group Pushes Radical Health Care

By WILLIAMSON GOOD

Six congressmen and two former Jnited States senators may not be aware f it, but an organization which they ponsor—the Medical Committee for Human Rights (MCHR)—advocates full ocialized medicine for the United States. Many of its members and leaders advocate evolution and are passionate admirers f the medical systems of Communist Cuba and Czechoslovakia.

The congressmen who sponsor MCHR re: John Conyers of Michigan, Donald dwards of California, Robert Kastenneier of Wisconsin, Donald Fraser of Minnesota and William Ryan and Benjamin Rosenthal of New York. The ormer senators are Joseph Clark of Pennsylvania and Ernest Gruening of Alaska, both of whom were defeated n 1968.



These three liberal Democratic congressmen are among those who have endorsed the Medical Committee for Human Rights, which is brazenly advocating socialized medicine on the order found in Communist countries. From left are: Rep. Don Edwards (Calif.), Bob Kastenmeier (Wis.) and Benjamin Rosenthal (N.Y.).

The passionate admiration of MCHR members for the Communist medical systems of Czechoslovakia and Cuba was quite evident at a joint meeting of MCHR and Physicians Forum (an old leftist doctors' group) held Thursday night, May 22, in the alumni auditorium of the New York University Medical School.

The first speaker was Dr. Richard Veineman, a charter member of both Physicians Forum and MCHR, who eaches at McGill University in Montreal. n his view, the United States is an nderdeveloped country as far as social rganization is concerned. Before naking any changes in the medical ystems of the United States, he suggests hat we might be able to learn some essons from the "advanced countries f Europe."

The most advanced countries are, Dr. Veineman finds, those in Eastern Europe here there has been a necessary and asic change in the political organization which took place "after the Socialist revolution." As Dr. Weineman sees it, this basic change in political organization enabled the countries in Eastern Europe to "organize in a highly rational way" by setting national priorities and making doctors become employes of the state. He was loudly applauded by the audience of some 400 people.

The second speaker was Joseph Cooper, professor of government at Howard University in Washington, D.C. In his opinion, the Czech system is a "brilliant accomplishment in the distribution of medical care, the dream ultimate of the public health system."

Prof. Cooper, however, does find one problem: Doctors make less than factory workers. This has led to a vast under-the-table payments mechanism. If a Czech citizen wants to assure himself of adequate care, he has to pay his doctor out of his own pocket. The reason for this, according to Prof. Cooper, is that "When the revolution came in 1948 [i.e., when the Soviet Union seized power], influence was exerted by the trade unionists who made sure that the highest wages went to those who worked with their hands, not their minds." Prof. Cooper even allows that there is a drabness that pervades this theoretically perfect system.

But if Dr. Phil Wolfson, an intern at one of New York City's hospitals, is to be believed, there is not a spot of drabness in Cuba. "Cuba is a utopia," he declared in his address. Dr. Wolfson, who travelled to Cuba last August along with two other doctors, said that Socialist medicine as exhibited in Cuba stresses not only urban health but also rural health and the health of the poor.

Socialist medicine, he said, "is a lack of professionalism, where doctors come from the masses, where the doctor-patient relationship is that of comrade. In Cuba," he proclaimed, "medicine is part of the over-all planned economy. Its practitioners are first revolutionaries, then physicians."

One of the aspects of Cuban medicine which Dr. Wolfson admires is the fact that its graduating physicians are compelled to spend two years practicing in rural areas. He maintains that most would do this voluntarily. If this is really so, one wonders why the necessity for compulsion?

Dr. Wolfson believes that one of the lessons to be learned from the Cuban medical system is that there can be no real change in the United States without first undergoing a revolution. This declaration was greeted by a rousing burst of applause.

All these extravagant claims about the wonderful medical care in Communist countries, of course, fly in the face of much contrary evidence given by exiles, citizens of these same countries, doctors who do not belong to the MCHR and tourists who have been unfortunate enough to have received treatment in a Marxist-run paradise.

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The author, a free-lance writer based in New York City, is a regular contributor to Barron's *National Business and Financial Weekly.*

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NEWSPAPER

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Capital Briefs

● **Sirhan Sirhan** is $12,000 richer—thanks to NBC TV. That's what the network's news division paid Sirhan for an "exclusive interview" last week on the first anniversary of the Arab's murder of Robert Kennedy. Sirhan said nothing of interest, which reportedly annoyed NBC officials who shelled out the money.

● The Republican Congressional Newsletter reports that one typical example of the difference between the Nixon and Johnson Administrations is the size of the White House **photographers staff.** Under LBJ, the photo office itself had 28 employes and the photo developing lab employed 13. In addition, Johnson kept a 23-man motion picture crew on hand just to film his personal activities and put together each month a "March of Time"-type documentary for his own viewing. Under Nixon, the photo office staff has been slashed to three and the lab to four. The motion picture crew has been done away with all together.

● Senate GOP leaders were gratified last week by Sen. **Ed Brooke's** sharp retort to Teddy Kennedy on the question of Viet Nam strategy. "I just can't conceive that our generals, our chiefs of staff, would be sacrificing young American lives in a battle that was unnecessary," Brooke said in a statement that was curiously ignored by most of the press. Fellow senators noted that it took political courage for Brooke to speak out against his popular Bay State colleague.

● President **Richard Nixon**—not Teddy Kennedy or Eugene McCarthy—appears to be corralling the youth vote. A recent Gallup poll reveals that 65 per cent of all people over 21 approve of the way Nixon is handling his job, while among young adults between 21 and 29, the approval figure is 68 per cent.

● Bobby Baker has a new lawyer as he seeks reversal of the 1967 convictions that would put him behind bars for one to three years. The wheeling-dealing protege of Lyndon Johnson is represented by **Michael Tigar,** a radical-leftist who was once slated to be the law clerk for Supreme Court Justice William Brennan. Disclosure of Tigar's far-left background prompted Brennan to change his mind and select someone less controversial.

● A former Alabama state official who is appealing an extortion conviction has been hired on the congressional staff of liberal Republican Rep. Daniel Button of New York. The official, **Richmond Flowers,** was the idol of Southern liberals during his days as Alabama attorney general, falling from grace when a federal court last February convicted him of extorting money from state businessmen and sentenced him to eight years in jail; Flowers' appeal is now before a U.S. Circuit Court. Button defended his hiring of Flowers by saying the Alabamian was "one of the most admirable men of our time" and said that he "can give my office sound guidance in preparing ways and means of dealing with the turmoil in our urban areas."

● **Sam Houston Johnson,** the rapscallion brother of the recent President, is still using credit cards which list his address as "The White House," where he resided under the watchful eye of his brother until last January. In May Sam Johnson used an Eastern Airlines credit card, with the Washington address, for a trip to the West Coast, a fact that later came to the attention of Rep. Gene Snyder (R.-Ky.); upon checking, however, Snyder found that LBJ's brother himself, not the government, had paid for the air trip. Just the same, Eastern switched Mr. Johnson's billing address to Austin, Tex.

● In an unprecedented move, the Nixon Administration has quietly initiated a get-tough, tit-for-tat policy regarding **Soviet journalists.** Thus far this year, the Soviets have put travel restrictions on two Moscow-based U.S. journalists and expelled one—the Washington Post's Anatole Shub—from the country entirely. In retaliation, the White House responded in kind: they restricted the travel of two New York-based Soviet journalists and expelled one, Viktor Kopytin of TASS. Prior to this response on the part of the Administration, the Soviets from 1956 to the present had expelled 13 U.S. newsmen from Moscow with no direct U.S. reaction.

● Sen. **George McGovern** (D.-S.D.), who recently chaired a week-long meeting in London sponsored by the World Council of Churches, has been quoted by the London Express Service as saying: "All else failing, the church must support resistance movements, including revolutions, which are aimed at the elimination of political or economic tyranny which makes racism possible."

● A key political appointee of the late John Fitzgerald Kennedy was indicted last week on charges of soliciting and accepting a bribe. **Joseph C. Dougherty,** a top Post Office official under JFK and LBJ, was charged with shaking down a Baltimore contractor for $7,500. Dougherty's appointment in 1963 was a payoff to his powerful father, William, boss of the National Association of Letter Carriers. The elder Dougherty was also named ambassador to Jamaica by Kennedy.

● The wife of the fugitive Black Panther Eldridge Cleaver has slipped out of the United States, apparently to join her husband in Havana. Security officials say **Kathleen Cleaver** is making her way to Cuba via Madrid.

● Latest brainstorm of Harvard economist—and ADA chieftain—**John Kenneth Galbraith:** nationalization of the nation's defense industries. Government takeover of these firms, argued Galbraith in Capitol Hill testimony, would somehow give the public control over military spending.

● Comic Jack Carter says that **Pat Nixon** has completed her redecorating of the White House. "She's moved the barbeque pits back outside and the bathrooms inside."

● Astronaut **Frank Borman** may be the second spaceman to plunge into elective politics. Borman, a veteran of the Apollo 8 spaceflight, has been huddling with Rep. Morris Udall (D.-Ariz.) to discuss his possible nomination next year for governor or senator. An earlier astronaut, John Glenn, hopes to be the Democratic candidate for the Senate from Ohio.

● The FBI is investigating bombings at more than a dozen universities, the latest at the **University of Michigan.** New Leftists are suspected in the Ann Arbor explosion, which blew a hole in the ROTC building, destroyed the ROTC commandant's auto, and shook buildings two miles away.

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YOUR WEEKLY WASHINGTON REPORT

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Human Events is published weekly by Human Events, Inc., 422 First Street, S.E., Washington, D.C. 20003. Second class postage paid at Washington, D.C. and other mailing offices. One year subscription, $12.50 (see coupon at right).

Bound volumes, fully indexed. Any year, $20.00. Any six years $100.00.

1968 in 1 Volume
1967 in 1 Volume
1966 in 1 Volume
1962 in 2 Volumes
1961 in 2 Volumes

Past volumes of *Human Events* on microfilm available directly from University Microfilms, 300 N. Zeeb Road, Ann Arbor, Mich. 48106. Reprinted bound volumes, 1960 and prior, available directly from Johnson Reprint Corp., 111 Fifth Ave., New York, N. Y. 10003.

Human Events cannot be responsible for the return of unsolicited manuscripts. Opinions expressed in signed articles do not necessarily represent the views of *Human Events*.

U.S. national newsstand distribution by Eastern News Distributors, Inc., 155 W. 15th Street, New York, N.Y. 10011.

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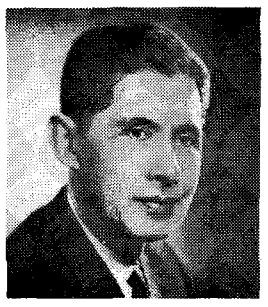
indsay's Surprising Supporters

Conservative Republicans were somewhat stunned st week to learn that no fewer than 65 GOP House wmakers (see names below), good number of them conrvatives, had signed a statement enthusiastically supporting Mayor John Lindsay ver State Sen. John Marchi the June 17 Republican ayoralty primary in New ork.



MARCHI

Among the names attached the laudatory endorsement ere Gerald Ford (Mich.), the Republican leader in e House; John Anderson (Ill.), head of the House epublican Conference, and John Rhodes (Ariz.), ead of the House Republican Policy Committee. labama's conservatively oriented John Buchanan was the pro-Lindsay list, with his office adding that uchanan feels the liberal mayor is "well qualified id has done an excellent job" as chief executive f New York City.

The signed statement, prepared by New York Republicans Ogden Reid and Daniel Button, two of the ıost liberal members of the House, stated in part: We Republican Members of Congress very much ope that the Republicans of New York City will nominate John V. Lindsay in the primary on June 7 and will re-elect him mayor. Over the past four ears, Mayor Lindsay has become a symbol of the rban leadership necessary to give new direction to ıe cities of the nation. He stands in the forefront f the fight to make our cities governable. . . .

"A Republican party that can win in New York ity and New York State must be forward-looking nd progressive. John Lindsay has the vision, the ourage and the commitment to ensure a bright ıture for his party and New York City.

"His victory in the primary is vital and we urge ll Republicans to support him."

Why these 65 would urge "all Republicans" to support a liberal mayor who has been a decided enemy of the Republican party—both locally and nationwide—is inexplicable to many GOP politicos.

Aside from his sole un-Republican solution for big-city problems (more tax money from the federal government), Lindsay is held personally responsible for the city's soaring crime rate. That exploding figure, it is argued, has been fostered by the mayor's policies of appeasing criminals and subsidizing black racists through his scandal-ridden Human Resources Administration. By packing the school board with militants, such as the Rev. Milton Galamison, who recently defended the rifle-toting Cornell University students, Lindsay is being blamed for having brought chaos to the citywide school system.

Not only has Lindsay been running an "un-Republican" Administration so far as policies are concerned, but he has clearly relegated the GOP to second-class status. He ran for mayor in 1965, for instance, without a single other Republican on the ticket. He pledged to the Liberal party executive committee on June 19, furthermore, that his would definitely *not* be "a Republican administration" and that, "Personally, I'll get as far away from the Republican party as possible." (New York *Herald Tribune,* June 20, 1965.)

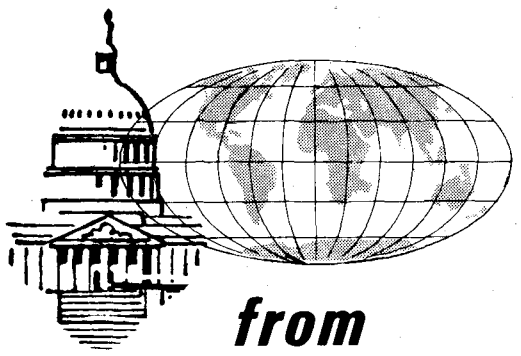
He's been as good as his word. Though the Liberal party's principles and policies are diametrically opposed to those of the Republican party, Lindsay has thoroughly stacked his Administration with Liberals. He awarded the highest appointive office in his administration, deputy mayor, to his defeated running mate in 1965, Liberal Party State Chairman Timothy Costello. He has granted major patronage appointments to Liberals, while worthy Republicans have been languishing in the wings.

This year Lindsay has selected as his chief running-mate Sanford Garelik, an intimate of Liberal party chieftains, and has publicly promised the Liberal party an even greater voice if there is to be a new Lindsay Administration.

Has Lindsayism benefitted Republicans? The Lindsay ticket, the mayor's GOP opponents respond persuasively, is a ticket to Republican suicide in New York City. The borough of Manhattan—the only borough in which Republican candidates have hewed to Lindsay's line of mock Republicanism—provides the most accurate test. Since Lindsay took office, the Manhattan GOP has lost a congressional seat, a councilmanic seat and two assembly seats.

Where Republicans have remained true to party principles, as in the other boroughs, new Republican seats have been won. The Republican party in these boroughs has been strongly supported in this effort

THIS WEEK'S NEWS



from

Inside Washington

by the Conservative party, which provided the margin of victory for five Republican assemblymen from New York City last fall, thus enabling the GOP to capture control of the state legislature.

While Lindsay has been receiving the accolades of House Republicans, the man who really should have received them, argue Gotham GOPers, is State Sen. John Marchi, Lindsay's primary opponent.

Marchi is running as a Republican and on his record as a Republican. He is supported by the Republican minority leader of the City Council, the Republican borough president of Staten Island, the Republican county organizations of the Bronx and Staten Island, and the overwhelming majority of the elected Republican office holders from New York City. (In point of fact, Lindsay has not received the formal endorsement of any elected Republican outside of his home borough, Manhattan.)

While liberal Republicans have objected to Marchi's endorsement by the Conservative party (but not to Lindsay's endorsement by the Liberal party), the fact is that the Conservative party's programs and principles are thoroughly compatible with those of the Republican party.

President Nixon himself said last fall: "I welcome the support of the Conservative party, which I regard as a responsible political organization. It is why every Republican legislator from New York City outside of Manhattan was elected with Conservative endorsement last fall, and it is why I am pleased to have the endorsement of the Conservative party this year, as I have in the past."

Contrary to the pronouncement of Lindsay's supporters, moreover, Marchi has a good chance of being elected mayor should he capture the GOP primary—certainly as good a chance as Lindsay, whose administration has been rocked with scandal and crime. If Marchi wins the primary, he will have the support of both the Conservative and Republican parties. Lindsay, under New York law, will have to run as a Liberal. The Democratic party will also have its own candidate. Not only will Marchi have the backing of two parties, but Lindsay will probably drain away many votes that would ordinarily go to the Democrats.

Thus Marchi, should he come out of the primary a winner, will have an excellent chance of being elected mayor and running a truly Republican administration from City Hall. Nevertheless, some 65 House Republicans have, for some curious reason, decided to back John Lindsay, New York's very un-Republican mayor.

Following are the names of the 65 GOP House members, many of whom should have known better, who signed the pro-Lindsay statement:

Ross Adair (Ind.)
John Anderson (Ill.)
Mark Andrews (N. D.)
William Ayres (Ohio)
Alphonzo Bell (Calif.)
Edward Biester (Pa.)
Frank Bow (Ohio)
Bill Brock (Tenn.)
William Broomfield (Mich.)
Donald Brotzman (Colo.)
Clarence Brown (Ohio)
Garry Brown (Mich.)
John Buchanan (Ala.)
Daniel Button (N. Y.)
John Byrnes (Wis.)
William Cahill (N. J.)
Tim Lee Carter (Ky.)
Don Clausen (Calif.)
Silvio Conte (Mass.)
William Cowger (Ky.)
John Dellenback (Ore.)
Florence Dwyer (N. J.)
Marvin Esch (Mich.)
Hamilton Fish (N. Y.)
Paul Findley (Ill.)
Gerald Ford (Mich.)
Peter Frelinghuysen (N. J.)
James Fulton (Pa.)
Gilbert Gude (Md.)
Seymour Halpern (N. Y.)
James Harvey (Mich.)
Margaret Heckler (Mass.)
Frank Horton (N. Y.)
Hastings Keith (Mass.)
Tom Kleppe (N. D.)
Glenard Lipscomb (Calif.)
Sherman Lloyd (Utah)
Donald Lukens (Ohio)
Clark MacGregor (Minn.)
Robert McClory (Ill.)
Paul McCloskey (Calif.)
William McCulloch (Ohio)
Joseph McDade (Pa.)
William Mailliard (Calif.)
Robert Mathias (Calif.)
William Minshall (Ohio)
F. Bradford Morse (Mass.)
Charles Mosher (Ohio)
Alexander Pirnie (N. Y.)
Albert Quie (Minn.)
Ogden Reid (N. Y.)
Ben Reifel (S. D.)
John Rhodes (Ariz.)
Donald Riegle (Mich.)
Howard Robison (N. Y.)
Philip Ruppe (Mich.)
Herman Schneebeli (Pa.)
Fred Schwengel (Iowa)
Garner Shriver (Kan.)
Robert Stafford (Vt.)
William Stanton (Ohio)
Robert Taft (Ohio)
Lowell Weicker (Conn.)
Charles Whalen (Ohio)
William Widnall (N. J.)

Strange Remarks by Ted's Adviser

Best-selling author and military analyst Richard J. Whalen, now with Arleigh Burke's Center for Strategic and International Studies, has shed some interesting light on the views of Dr. Jerome Wiesner, Teddy Kennedy's foreign policy adviser and a highly influential opponent of the Safeguard anti-ballistic missile program.

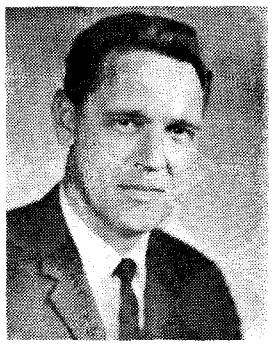
"Early in 1967," says Whalen, at a time when he was researching an article on nuclear weapons for *Fortune* magazine, "Dr. Wiesner and I spent much of an afternoon together, discussing the issues raised by ABM. He conceded that the idea of defending Minuteman silos might have a great deal of merit, if the Soviet threat increased—and it has." Today, says Whalen, Wiesner appears to have totally reversed himself.

Whalen also recalls that Wiesner asked Whalen to be particularly cautious in quoting him. "He said," Whalen noted, "he did not want his words presented in a way that would offend unnamed parties in the Soviet Union. He explained that he went to the Soviet Union each year, keeping up contacts made at the Pugwash disarmament conferences, and he wished to be permitted to enter the country."

Remarks Whalen, a former adviser to President Nixon during the 1968 campaign: "I must confess that I was appalled. Dr Wiesner, a free man in a free society, hailed as a man of science committed to free inquiry, was perfectly willing to censor his opinions in order to please the authorities in a state where individual freedom did not exist.

"Ordinarily, it is wrong to look beneath a man's arguments and inquire into his motives. But, in the case of some of the opponents of the Safeguard system, I must admit that I profoundly distrust their motives." Thus the burning question presents itself: Is Dr. Wiesner's opposition to the present ABM program—a program similar to one he appeared to be for two years ago—in any way shaped by his desire to remain on good terms with Moscow?

FORD



BUCHANAN

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Nixon Enrages Liberals

Because of his courageous actions on both the domestic and foreign fronts in recent weeks, President Richard Nixon's "honeymoon" with the liberals on Capitol Hill is just about over. Republican and Democratic liberals, plus the mass news media, including the New York *Times* and the Washington *Post,* have been assailing the President for a variety of decisions and actions. Among them:

• The President's selection of Warren E. Burger to be the new chief justice of the United States. Known for his hard line against both criminals and Communists, the Burger appointment promises to swing the High Court in a starboard direction.

• His tough speech at General Beadle State College in South Dakota against student militants and those who condone their tactics.

• His blunt refusal—in the face of considerable pressure from even within his own party—to call for loosening restrictions on trade with Communist countries. As the President has made clear, and as his spokesmen have made clear to congressional committees both this week and last, he only intends to use trade as a means of prying political concessions from the Communists.

• His sharp attack in a speech delivered before the Air Force Academy at Colorado Springs against those lawmakers who would appease the Communist enemy through unilateral disarmament.

• His application of increased pressure against the Communist enemy in Viet Nam, as evidenced by the fact that American warplanes last week struck a target in North Viet Nam for the first time on record since President Johnson ended the northern bombing last year.

• His decision to go ahead with the Safeguard anti-ballistic missile system.

As a result of these bold moves, the President is now under a broadside liberal assault. He now needs moral support. Those who favor his decisions, say White House observers, might show it by writing the President letters of encouragement.

Solons Back Unilateral Disarmament

Senators J. William Fulbright (D.-Ark.), Albert Gore (D.-Tenn.) and other liberal lawmakers have reacted sharply to President Nixon's Air Force Academy speech in which he blasted unilateral disarmament, new isolationists and those whose actions would produce the kind of peace "that suffocated freedom in Czechoslovakia."

Sen. Alan Cranston (D.-Calif.) protested that Nixon was "*setting up straw men. . . . I know of no* responsible American who advocates that we alone lay down our arms."

Yet only three days prior to Nixon's warning against the disarmers, 45 members of Congress (see names below)—nine senators and 36 House Democrats—had endorsed a 61-page booklet calling for a radical—and unilateral—reduction in America's armed strength.

Among the signers were Senators J. William Fulbright (D.-Ark.), chairman of the Foreign Relations Committee; Joseph Tydings (D.-Md.) and William Saxbe (R.-Ohio), the only Republican who went along. Those who helped draw up the report also included non-lawmakers, such as Marcus Raskin and Richard Barnet, co-directors of the radical Institute for Policy Studies.

"The most urgent challenge confronting Congress today," noted the congressional group and others who endorsed the report, "is to reassert control over the military bureaucracy and the policy decisions it has pre-empted."

Among other things, the report called for a one-million-man reduction in the armed forces and an immediate start on withdrawal of American troops from Viet Nam—not for just the sake of "de-Americanizing" the war—but for the avowed purpose of forcing a Communist coalition government on South Viet Nam. Furthermore, the report calls for a drastic slashing of the military budget and a unilateral delay in deployment of the ABM anti-missile system.

In short, the report—backed by important figures in Congress—graphically underscores the reason why President Nixon felt compelled to speak out when he did.

Following are the liberal senators and congressmen who backed the unilateral disarmament report:

SENATORS

J. William Fulbright (Ark.)
Harold E. Hughes (Iowa)
George McGovern (S. D.)
Walter Mondale (Minn.)
Gaylord Nelson (Wis.)
William B. Saxbe (Ohio)
Joseph D. Tydings (Md.)
Harrison A. Williams (N. J.)
Stephen M. Young (Ohio)

CONGRESSMEN

George Brown Jr. (Calif.)
Phillip Burton (Calif.)
Hugh L. Carey (N. Y.)
Shirley Chisholm (N. Y.)
William L. Clay (Mo.)
John Conyers Jr. (Mich.)
Charles C. Diggs Jr. (Mich.)
Bob Eckhardt (Tex.)
Don Edwards (Calif.)
Donald Fraser (Minn.)
Jacob Gilbert (N. Y.)
William J. Green (Pa.)
William D. Hathaway (Me.)
Augustus Hawkins (Calif.)
Ken Hechler (W. Va.)
Henry Helstoski (N. J.)
Robert Kastenmeier (Wis.)
Edward I. Koch (N. Y.)
Robert L. Leggett (Calif.)
Allard K. Lowenstein (N. Y.)
Abner Mikva (Ill.)
Patsy T. Mink (Hawaii)
William S. Moorhead (Pa.)
Robert Nix (Pa.)
Richard L. Ottinger (N. Y.)
Bertram L. Podell (N. Y.)
Thomas M. Rees (Calif.)
Henry S. Reuss (Wis.)
Benjamin S. Rosenthal (N. Y.)
Edward R. Roybal (Calif.)
William F. Ryan (N. Y.)
James H. Scheuer (N. Y.)
Louis Stokes (Ohio)
Robert O. Tiernan (R. I.)
Lester L. Wolff (N. Y.)
Frank Thompson Jr. (N. J.)

Moscow Smears Blatchford

Sitting in his office on a recent Sunday afternoon, Peace Corps Director Joseph Blatchford became greatly amused as he began to pore over a radio report from Moscow on his recent trip to Africa. Moscow acknowledged that Blatchford was "sociable and well-mannered and creates a very good impression." What is more, he is a Negro [a fact that is news to both Blatchford and his parents]." In the opinion of those who appointed him Peace Corps director, Moscow blithely went on, "this cannot but appeal to Africans."

BLATCHFORD

The Soviets then got down to serious business. While Blatchford is both a "gentleman and a humanist," said Moscow, he is also "a hard-core spy from the CIA with more than 10 years' seniority" (also news to the Peace Corps director).

Back in 1960, the radio report continued, he came "out with the initiative, not his own, of course, but that of CIA, to set up a kind of organization of volunteers for working in the countries of that continent.

"This organization was to take up the problem of housing and liquidating slums. It was called in fact 'Accion.' But how did Joe Blatchford and his colleagues 'Act'?. . . .

". . .Thieves and robbers were recruited by 'Accion' to form a gang for tailing progressive politicians, intimidating them, and sometimes removing them physically. . . .

"No doubt Joe Blatchford in his new role will try to mold banditism in Africa in a form favorable for CIA. Therefore, it is not surprising that he is planning to visit those African countries where the *declasse* elements are at their highest. . . .

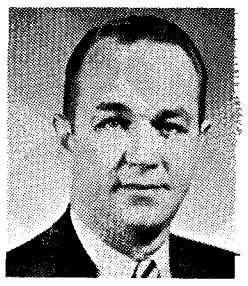
"Actually, Washington has chosen a suitable leader for the Peace Corps—a paid agent of CIA and a specialist in political blackmail and assassination. Who could be better as a leader of the Corpsmen?"

Those who know the new Peace Corps director are chuckling at Moscow's furious blast. Blatchford, in fact, is not a Negro nor has he ever been a member of the CIA. While head of "Accion," Blatchford, moreover, scrupulously avoided taking funds from any foundation that appeared to be even remotely connected with the CIA.

Moscow's real reason for assailing the new Peace Corps director, say knowledgeable anti-Communists, is that Blatchford built Accion into an effective self-help program for Latin American slum dwellers which radiated much good will for the United States. Some Latin observers have even referred to Accion as "preventive anti-communism." Fearing that Blatchford will turn the Peace Corps into an equally effective organization, Moscow has apparently decided to smear him with its mighty mud gun.

Rightward Trend in New Jersey

New Jersey Republicans last week gave "moderate" Rep. William T. Cahill a narrow victory over fellow Congressman Charles W. Sandman, a conservative, in the state's gubernatorial race.



CAHILL

Cahill, who campaigned with the backing of Sen. Clifford Case and former Gov. Alfred Driscoll, polled 155,856 votes to Sandman's 144,364. Three other candidates trailed.

Despite Cahill's victory, the closeness of the race demonstrated the conservative strength in this normally liberal state. State Sen. Frank X. McDermott, one of the losing GOP candidates, gathered close to 40,000 votes, many cast by conservatives who had been irked with Sandman for playing footsie with Clifford Case at the 1968 Republican convention. The victory of former Gov. Robert Meyner in the Democratic primary suggests a further conservative trend, as Meyner was opposed by the New Left elements in the Democratic party.

Meyner, who outdistanced a lackluster field in the Democratic party, may have a considerably more difficult time in the general election. Not only has Sandman promised to support Cahill, but Meyner is in trouble with his own party. The New Democratic Coalition has rejected him as "out of touch" and the state's labor barons have been feuding with him for years.

"The best Meyner can hope for from organized labor is neutrality," admitted a top state Democrat. Finally, Meyner is on the outs with John V. Kenny, boss of the powerful Hudson County Democratic organization. Kenny has vowed not to back Meyner and New Jersey politicos point out that no Democratic candidate for governor has been elected this century without Hudson's support.

Scandal at Bryn Mawr

Prestigious Bryn Mawr College *bowed to black* militants last week and named the Communist party's official theoretician, Herbert Aptheker, as head of the school's Black Studies program.

The appointment was made after a small group of blacks demanded establishment of a program with Aptheker at its helm. Aptheker's teaching experience has been limited to Communist training schools.

As far back as 1940, Brooklyn-born Aptheker was rationalizing the twisting-turning Soviet line at various party institutions. Aptheker was there defending the Hitler-Stalin pact. In more recent years he has headed up the party's New York School of Marxist Studies, where he has laid down the line on Hungary and Czechoslovakia.

Aptheker and other Communist officials see the Bryn Mawr appointment as highly important, as proof that the party has become "as respectable as the Democrats or Republicans," to quote one leader. Aptheker, a 10-year veteran of the party's national committee, said simply: "It is thrilling, with wide national significance for the Communist party."

U.S. Reds Fear Burger Confirmation

Warren E. Burger, President Nixon's nominee for chief justice, sailed through his Senate confirmation hearings without a hitch, but Burger is now coming in for some sharp criticism from the extreme left. The left, apparently, has not only discovered that Burger is tough on crime, but he is also hard on Communists.

The *Daily World,* official paper of the Communist Party, U.S.A., is particularly displeased with Burger's rulings on matters involving communism. In its May 23 issue, the *World* ran a front-page story headlined: "HIGH COURT SHIFT—A DANGER SIGNAL." The article condemns Burger for opinions he delivered

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on the U.S. Court of Appeals. Burger, complains he *World,* upheld passport restrictions against Communists (later invalidated by the Supreme Court), upheld the conviction of a W.E.B. DuBois Club member for threatening the life of the President also overturned by the High Court), and upheld he conviction of leftist attorney Arthur Kinoy on harges of "disorderly conduct" before the House Committee on Un-American Activities in 1966.

CBS Show 'Strictly from Hunger'

A liberal Democratic congressman charged last week that the Columbia Broadcasting System not only "defrauded the public" but violated the law in preparing its award-winning expose, "Hunger in America."

Rep Henry Gonzalez (D.-Tex.), who had previously termed the hour-long show "wildly inaccurate" said last week that CBS officials had actually violated Section 317 of the Federal Communications Act by hiding the fact they paid hunger "victims" appearing on the show.

Gonzalez said that the payments were not large but that the law was clear. He quoted Section 315 as providing, "All matter broadcast by any radio [or television] station for which any money, service or other valuable consideration is directly or indirectly paid. . .shall be announced as paid."

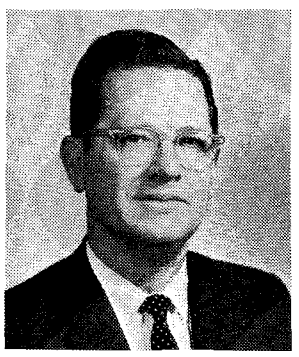
CBS made no such announcement and Gonzalez called upon the Federal Communications Commission to take action implementing the law.

Yet the Gonzalez indictment is probably the least damning fact about this extraordinary film—a film which has helped to trigger an enormous demand both in Congress and in the executive for a massive program to combat hunger. Because of the fantastic impact it has had on public opinion, the House Agriculture Appropriations subcommittee, chaired by Rep. Jamie Whitten (D.-Miss.), conducted a thorough probe of the CBS film, even to the extent of using FBI investigators.

The findings of the probers were startling: CBS, so a reading of the investigative report reveals, had engaged in an amazing misrepresentation of the facts. Basing its report on these findings, the Whitten subcommittee scored the CBS television program as "shocking evidence of attempts to inflame the American people instead of providing the facts." Many of the incidents described or photographed, said the subcommittee, appeared to have been "staged as though for a Hollywood production."

Committee investigators, for instance, discovered that a boy identified as a hungry junior high school student had been rejected for the food stamp program—not because of cruelty, as the film implied—but because his father was buying two homes and had an equity of $1,680 in the second. The probers also learned that a CBS crew induced San Antonio's city welfare director to close the doors of the then-operating surplus commodity distribution center for one hour and 45 minutes so a line of about 20 people would form to be used in the film.

GONZALEZ



WHITTEN

Dr. Ramiro P. Estrada, a private physician and member of the staff at the Robert B. Green Memorial Hospital in San Antonio, stated that CBS representatives wanted him to say some of the cases of malnutrition were severe, whereas they were actually relatively minor. According to the investigators, Dr. Estrada believed that the CBS representatives were interested only in sensational-type material and they wanted him to say things with a more sensational impact than what he was willing to say.

"Probably the most touching portion of the film," said the investigators, "and one which CBS later said, 'moved the nation to tears,' was the scene of a baby being given resuscitation in the hospital after which it appeared motionless. The CBS narrator, Charles Kuralt, made the following statement with respect to the scene:

"'Hunger is easy to recognize when it looks like this. This baby is dying of starvation. He was an American. Now he is dead.'"

Yet Whitten's investigators revealed there was not even any evidence of malnutrition, let alone starvation. Jack E. Coughlin, director of Community Relations, Bexar County Hospital District, reported to the investigators that hospital records disclosed that Dr. Luis Rey Montemayor pronounced the baby dead at 3 p.m. on Oct. 29, 1967, five days after birth, "from septicemia, meningitis, and peritonitis with underlying causes being prematurity." Dr. Montemayor remarked that CBS was wrong in depicting the baby as dying of starvation.

When a CBS representative attempted to get him to say that a contributing factor to a premature birth was malnutrition, Dr. Montemayor said he told CBS there was no evidence of this in the case of the baby used in the film.

Shocking as this misrepresentation was, this was not the only baby that CBS had mistakenly portrayed as dying from hunger.

CBS narrator Charles Kuralt had strongly suggested that a baby of Mrs. Louise Zanders of Hale County, Ala., had also died of malnutrition. Mrs. Zanders not only denied it, but Dr. William Standeffer, who had tried to deliver the baby through a Caesarean section operation, claimed it was untrue. He said that Mrs. Zanders did not show any signs of being malnourished herself, and that the size of her stillborn child was a hefty 12 pounds, 5 ounces. Death, he maintained, had been caused by prolonged labor.

Despite the wealth of evidence compiled by Whitten's investigators, CBS still endorses its film. Richard S. Salant, president of CBS News, has responded to the probe with the usual: the network "stands behind its 'Hunger in America' broadcast." Nevertheless, the information uncovered by the Whitten subcommittee has startled many members in Congress, some of whom would now like to investigate the powerful networks and their role in shaping public opinion.

Continued from Page One

Left-Wing Group Pushes Radical Health Care

A study issued earlier this year by the Citizens Committee for a Free Cuba, for instance, gives a devastating account of the state of medicine under Castro. Edited by Paul Bethel, the study quotes Dr. Gustaba Mesta Pujol, who had a key role in Castro's medical programs before he went into exile, as saying that 49 per cent of Cuba's doctors have fled the country and that replacing these professionals are students with less than three years of medical study who have the proficiency of nurses' aides. Cuba's own Ministry of Health, moreover, has been forced to discontinue the use of important Soviet and Chinese medicines because they were so unstable.

Unfortunately, the Medical Committee for Human Rights is not an insignificant group rattling around the fringes of the leftist revolutionary movement in the United States. Founded in 1964 to provide a "medical presence" for civil rights demonstrators in the South, the MCHR has managed to win impressive support and now boasts 7,000 members. "As the Viet Nam war became the major organizing issue for the New Left," writes Allan Brownfeld in the medical magazine *Private Practice,* the MCHR also rallied to the cause. "Thus," writes Brownfeld, "we find a 'medical presence' at the Pentagon anti-war demonstration in October 1967, at the violence during the Chicago Democratic Convention last summer, and at a localized riot in New York City in October 1968 when Vice President Humphrey delivered a campaign speech at the Americana Hotel."

In June 1967, Brownfeld adds, the MCHR "unanimously passed a resolution expressing 'our support for a group of medical students who have stated their unwillingness to participate in the war in Viet Nam.'"

In addition to its influence in the halls of Congress, it is strongly tied in with such major radical groups as Students for a Democratic Society, the National Welfare Rights Organization, the Movement for a Democratic Society, the Institute for Policy Studies, and the National Committee to End the War in Vietnam, affectionately known as "the MOB."

Dr. Quentin Young, a Chicago specialist in internal medicine and a principal founder of MCHR, may have even more radical associations. Appearing before the House Committee on Un-American Acitivities in 1968, Dr. Young invoked the 1st Amendment when told by the committee's counsel it had information that he had been part of the Bethune branch of the Communist party on the north side of Chicago.

Congressional support for MCHR has been conscious and explicit. In a testimonial published in an MCHR brochure, former Sen. Joseph Clark said, "As chairman of the Subcommittee on Employment, Manpower and Poverty, I have followed your organization's role as one of the leading promoters of poverty legislation in the health field and hold the highest regard for the work you have done in helping to establish health care as a right, rather than a privilege, for all Americans. I will be honored by having my name added to your list of sponsors."

In addition to high-level congressional support, MCHR is backed by some of the most distinguished men in American medicine. Among them: Albert Szent-Gyorgi, Nobel Prize-winner for Medicine; Albert Sabin of oral polio vaccine fame, and Alan F. Guttmacher, M.D., president of Planned Parenthood.

The program which these distinguished doctors, congressmen and former senators support is clearly spelled out in MCHR's most recent platform, published last November. After calling for "Universal Comprehensive Health Care," it elaborated:

"'Universal' means availability to every person in the U.S.A., not merely to those able to pay for medical services directly or through private insurance plans. 'Comprehensive' embraces every kind of medical, dental, nursing, mental and rehabilitative care required in the prevention, diagnosis or treatment of disease. . . ." It all adds up, of course, to a fancy euphemism for socialized medicine.

Congressman Benjamin Rosenthal openly supports this program and in his testimonial to MCHR he stated: "The MCHR program corresponds very closely to my goals in changing our present health care system. I am well aware of the excellent work MCHR has done and I wish you every success in the future."

Evidently the congressman's assistant, Clifford Hackett, agrees with his boss. At a legislative workshop held at a national convention of MCHR in Washington, D.C., March 21-23, 1969, Hackett, a panel member of the workshop, advised the audience: "You have got to organize your forces like the effective lobbyist. Congress is a reactive body. What we have to do is to create the kind of public body to which Congress will respond."

James Menger, senior staff member of the House Committee on Interstate and Foreign Commerce, was somewhat more explicit: "If you don't like the Establishment, get inside it and take it over." Many MCHR members intend to do just that.

An editorial in *Barron's* May 19 contained a warning to industry that professionals in the health services would do well to heed. It stated, "Like university presidents and college deans, who until lately poohpoohed warnings from such careful and courageous reporters as Alice Widener ("Ten Days in April"; "The Detonators"), corporate executives may try to shrug off the mounting evidence of a radical conspiracy against private enterprise. We can only remind them that those who refuse to learn from history—or from what's happening in front of their noses—are doomed."

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S - 12 and the Warren Court

By HOLMES ALEXANDER

On the Shakespearean theory that the "evil men do lives after them," the Senate will not only restructure the Warren Court by confirming only strict Constitutionalists—the Senate will also aim to expunge the "evil" done by the recent justices.

This is largely the purpose of an omnibus bill (S 12), Internal Security Act of 1969. It has so many sponsors (17), such a full-throated approval by the Judiciary committee, strong backing by the President and attorney general that even its toughest provisions can hardly be blocked by the soft-on-subversive and coddle-the-criminal Senate liberals. This bill is extraordinarily long (123 pages), and the concerned citizen had better read it (or read about it) in limited doses.

The authors of S 12 deny that their bill is an attack on the Warren Court, but there will be differing opinions about that. The legislative drafters say that, when the Supreme Court has nullified a law, Congress must discover if the need for the law still exists and if so, must write a more invulnerable law to cover the still-existing problem. This is a polite way of rebuking the court, of revising its decisions and of reforming its evil. Polite, but firm.

For example, the court nullified the Smith Act of 1940 which prohibits anybody to teach or advocate the overthrow of the U.S. government by force or violence. The new law would patch up this Smith Act passage to make it rejection-proof, and also would forbid anybody to teach or advocate the "necessity" for using violence in our society where there are so many non-violent remedies.

The court has said that freedom of speech (that is, "teaching and advocating") cannot be restricted unless there is a "clear and present" danger of overthrow. The Judiciary committee says that such danger need not be "immediate." If revolutionaries are planning an H-hour uprising, the country should be allowed to strike back at H-minus 1, 2 or 3. The "intent," if proved, becomes a crime, even before the act has been done.

The Supreme Court, quite justifiably, has held that the Constitution defines treason as the "overt act" of giving the enemy "aid and comfort" and only in "time of war." Hitherto it has been impossible to take serious action against radicals who send blood plasma, for example, to North Viet Nam, or who otherwise aid and comfort the enemies of undeclared war.

S 12 would make it a new crime to aid and comfort an "adversary" of the United States, whether or not a declared state of war exists. An "adversary" is any nation, or any armed group, engaged in open hostilities with the United States.

S 12 also attempts to scrub out the 1967 Supreme Court edict that known Communists have a "right of association" to jobs in defense plants. And the new act says that if a foreign nation refuses to receive one of its citizens whom we wish to deport, that foreign nation may not be able to get visas and transit permits for any of its citizens. And that act would take away American protection for any U.S. citizen who refuses to swear or affirm his allegiance to the United States.

This summary by no means exhausts the provisions of the proposed act, but these samplings make the central point. The 91st Congress and the Nixon Administration are not willing that the past Supreme Court should get away with making this country helpless and ridiculous against its internal enemies.

Nowhere does the Constitution provide for its own overthrow by violence or subversion. We must have a new breed of justices, and also a new intolerance for the old abuses.

(Distributed by McNaught Syndicate, Inc.)

The Nixon Budget — Black or Red?

By RAYMOND MOLEY

Americans who read only the headlines complacently believe that President Nixon's revision of the Johnson budget figures gives the government a nice surplus of receipts over expenditures for fiscal 1970. And thus that the threat of inflation may well be measurably arrested.

But experienced budget-watchers have no such illusion. They see that except for a trick in budget-making introduced by Lyndon Johnson a year or so ago, the Nixon figures would really end in red figures rather than in black.

Wilbur Mills, House Ways and Means chairman, the wisest fiscal expert in Washington, quite correctly points out that if there is to be any meaningful cut in spending in fiscal 1970, the cut below the Johnson budget should be $10 billion rather than Mr. Nixon's figure of $5.5 billion. Indeed, a high official in the Nixon Administration has admitted that the Nixon figures under traditional budget-making really promise a deficit.

The key to the mystery lies in budget-making. The old way of determining deficits and surpluses used the figures of what has been called the "Administrative Budget." This included receipts from individual and corporate income taxes and other revenues to be used for general purposes. The so-called "trust fund" figures were kept in a separate category. For these receipts were tagged for specific purposes (mostly to pay for Social Security and highways). The taxes were the Social Security tax and the tax on oil and gasoline.

Since the money necessary for the trust funds had to be sufficiently in hand for future outlays, the trust fund figures always showed a comfortable surplus.

The Johnson trick was to count overall receipts, including both the Administrative Budget and trust fund incomes. This change in budget-making was explained in the government's analysis of the 1968 budget.

At this point some simple-minded taxpayer might ask this pertinent question:

"Why, if the President's figures show a surplus of receipts over expenditures, was it necessary for him to ask for and get from Congress a rise in the debt limit from $365 to $377 billion?"

The answer is that when excess money is received from trust fund taxes and is to be kept in the trust funds, it is invested in government securities. For the so-called trust funds are really a collection of government IOUs. These securities are bought mostly by the banks who take them to the Federal Reserve and who are paid in new money created for the purpose. It is this new money which in large part fuels the fires of inflation. For as the volume of circulation currency rises, so do prices and presumably wages, too.

Another pertinent question appears at this point. Why, instead of printing new government IOUs and new money and thus inflating the volume of money, does not the government go into the open market and buy the securities it needs for the trust funds?

For so far as the securities already issued and in the hands of investors are concerned, the inflationary damage has already been done. The Treasury could buy them for its trust funds without printing new securities, which in turn causes the Federal Reserve to print new money.

And now a fantastically simple conclusion must be reached. The more surplus the government is able to show under the new over-all budget plan, the greater the rise in the national debt. This, indeed, defies the reason of ordinary people. But the makers of budgets and the keepers of the government books are not ordinary people. They are politicians whose livelihood and continuance in office depend almost entirely upon their capacity to hoodwink the people who are paying the taxes.

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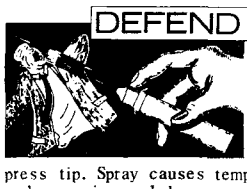

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The International Monetary Muddle

By HARRY SCHULTZ

The world has been preoccupied with international monetary problems for several years. Crisis follows crisis and each one threatens to be the complete collapse that only pessimists are meant to forecast.

The scene is chaotic, with endless national and international actions being taken, each one making the man in the street more confused. Governments permit nonsensical blurbs to minimize the appearance of bedlam and to cover their own footmarks. The press faithfully reproduce government views, seldom questioning their logic, and ignoring like the plague any thinking from the right wing.

Britons and Americans alike have been brainwashed over a period of years to believe that they (the private citizens) are the cause of the problems. . . that their idleness reduces exports, their greed increases imports and their shortsightedness results in low savings, high consumption and highly speculative investments.

Individual actions are blamed for balance-of-payments crises which reduce confidence and provide a playground for the supposed big bad wolf, the speculator who rocks the boat by selling weak currencies and buying strong ones. Incidentally, anyone who invests in *anything* is now categorized as a speculator rather than an investor.

Our politicos would have us believe that the solution lies in making speculation ineffective. If we produce an international currency we can demonetize gold (which we are assured is worthless anyway). So what are they waiting for? Fortunately there are a few apostles of logical thinking left in the world and they are digging their toes in at the Alice-in-Wonderland attitude taken by most world monetary authorities who even seem unable to agree on what they want, let alone on how to achieve it.

Any hope of a future situation of genuine stability lies with those individuals who believe that a satisfactory and permanent monetary system could exist if based on sound principles. It is quite untrue that no such permanency can be achieved simply because no previous system has lasted forever. If you build a house on sand it falls, but if you build one on rock it lasts, if not forever, at least for several hundred years and most of us would opt for that sort of a system.

Before we can build our proverbial house we must understand what is sand and why, and what is rock and why. Clearly most of our present leaders are unaware that there is a difference between the two.

THE SCENE AT THE MOMENT

The international monetary system is the means by which transactions across national boundaries are financed. The balance of payments of any country is the external accounts of that country, and it records all money leaving the country to pay for goods and services purchased abroad as well as all money coming into the country to pay for goods and services purchased by foreigners.

A German buying goods in England cannot pay the English manufacturer in marks, as these would be useless in England. What the German must do is change his marks for pounds and pay his debt in pounds sterling.

Each and every such trade requires a monetary exchange transaction to finance it and this requires that there is a *rate* at which all currencies can exchange. Under the gold exchange system (under which we live) these rates are fixed versus each other and versus gold, and it requires that individual nations have stocks of internationally acceptable payments media: i.e., gold or convertible currencies, if they wish to trade freely. If they do not have such stocks then their trade may be limited to direct exchanges of goods, which are unwieldy and limit trading potential.

Some may ask: but why the need for trade? The answer is that without international exchange our living standards would be greatly reduced. This seems to be one point agreed on by all economists. Trade enables specialization and a far higher level of production from the available resources in the world. It also works for a leveling of living standards throughout the world. If you limit trade, the discrepancy between developed and underdeveloped, between rich and poor must widen.

Countries add to their reserves when they export goods and services and reduce them when they import. Reserves can be held in any currencies, but since the last war the dollar and pound sterling have been the principal currencies used for this purpose.

The pound has been used mostly by those countries which are in the sterling area, many of which made big loans to the United Kingdom during the war and which now look upon these debts of the U.K.'s as their reserves. Other countries have relied on the dollar, immediately after World War II seemed to have achieved an unassailable position. Gold is also used as a reserve asset, although some countries have relied on it more than others.

Since the Bretton Woods Conference of 1944, which laid the foundations of the present system, the U.S. dollar has had its price fixed vis a vis gold while other currencies are usually quoted in terms of the dollar and so, indirectly, are related to gold and each other.

The various exchange rates cannot move more than 1 per cent away from parity (their fixed price) in either direction, because when they do, the government in question is required to move in and buy its own currency if the price is falling or sell it if the price is rising. Unless the country has the stocks of gold and convertible currencies just mentioned, it obviously could not maintain the value of its currency in this way.

The price of gold, the dollar and other currencies has been held steady by the U.S., which has guaranteed to buy and sell gold at $35 an ounce. This was intended to give absolute stability to the whole system.

Since Bretton Woods *aimed* to give stability why, one might ask, has it failed to do so? The visible signs of the recurrent crises are that the reserves of some countries are running out or seem liable to run out. These countries have and do continually (or on balance) spend more abroad than foreigners have spent with them. Deficits in the balance of payments have been financed by the countries in question paying out of their reserves until they have reached the point where they could no longer do this.

When this point comes into view, all and sundry can see that the value of the currency may be changed and anyone who holds that currency will worry about the loss in purchasing power he may suffer if the currency is devalued.

No one wants to see his capital drastically reduced overnight, and under IMF regulations any readjustment must take place either overnight or over a weekend. A country cannot (say the rules) continually make small changes in the value of its money, but may occasionally make a fairly major readjustment when all other measures to stop the outflow of reserves have failed.

We have had this very situation in the U.S. and U.K. After the war the U.S. had what seemed to be unlimited reserves and a huge trading surplus. But now she faces a payments *deficit*. . . and when government-subsidized trade is deducted, an *increasing* deficit at that.

For example, Common Market steel exports to the U.S.A. increased by 38 per cent in the last half of 1967 and voluntary *quotas* are now being discussed with major steel exporters to the states in an effort to aid U.S. domestic production and sales.

Although the U.S. claims to be the top-ranking nation in the individual gold-holding-nations cup, this position is largely a government confidence trick. Her true total gold holdings probably do not now exceed $5.8 billion (after gold claims and gold loans are deducted), or only enough to cover less than one-third of her direct overseas dollar claims, and less than one-sixth of indirect dollar claims.

The U.S. has been forced over the years to stop first her own citizens from trading in gold (at any price) and now she has had to *virtually* give up the fixed gold price of $35 per ounce.

Since *admitting* to this would have been tantamount to a dollar devaluation, a two-tier system was set up by which the official rate is still $35 and the major central banks agreed to deal at this rate. The U.S. will only supply gold to these banks at the fixed rate, or at least that is how it goes in theory. But analyst J. F. Smith's description is more accurate of the system as it is *in fact* practiced: "Instead of calling this a devaluation, it is called a two-tier system on the pretense that the official book figure of $35 is still a price even though (virtually) *no gold is sold to anyone at that rate*."

All other gold is called non-monetary gold and can be bought and sold (by the citizens of those countries which permit it) at the free market price. In fact, this too is a farce. The U.S. having previously (and strenuously) persuaded other countries to hold dollars rather than trade them in for gold, now not only manages to pressure central bankers not to ask for gold at the official price, but also tries to get as much gold (other people's) sold on the free market as possible so as to hold that price *down*.

A case in point here is the U.S. refusal to buy (or let IMF buy) South African gold at $35 an ounce in the hope that this will force it onto the free market. They seem to have had some limited success here.

The U.K. has the same sort of problems. It has those huge debts abroad which originated during the war and have been added to ever since, by borrowing abroad (so as to be able to support the parity of the pound sterling at home). Her reserves are pitifully small and could not *begin* to pay off all her overseas debts. So a run on the pound, for any reason, tends to rock the international boat.

Many countries have staked their savings on the system set up at Bretton Woods and have felt they must be very tolerant of the U.K.'s economic problems. These allies have endlessly lent money (or refrained from withdrawing their reserves) in the hope that Great Britain would put her house in order and that the crumbling fabric of the international monetary system would survive.

Not least of these loans was the infamous Basel Agreement of 1968 (if it can be called an agreement, for no one will say definitely if anything *was* agreed) by which huge sums were ostensibly put at Britain's request. They were in practice a loan to pay off other loans at best and at worst they were nothing but a public relations smokescreen. The confidence that this bought was fleeting and it only took another month of bad trade figures to bring back the gold gloom (and a lower pound price).

We have finally reached the point where people are beginning to realize that loans only worsen a bad situation and put off the reckoning for a few more weeks. The U.K. and the U.S. are virtually bankrupt

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SCHULTZ

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and this despite the 1967 devaluation which was supposed to set the pound back on its feet.

Those countries which hold a large part of their reserves in pounds and dollars are realizing that their hard-earned savings will soon be reduced again unless a solution is found and so they frantically meet time and again to discuss the situation, but with no visible success as yet.

Each time there is failure to find a permanent solution, another loan or gimmick has to be found to support the parities of key currencies, and each one gives yet another gasping space to be followed by yet another crisis. Every loan is a burden placed upon the back of the people and the U.K. would appear to have achieved a position now from which it is almost impossible for her to extricate herself. Her debts are so large that it will take a surplus of 40 million pounds ($96 million) every month for 3.3 years to get rid of them and Wilson's government has just had to admit that the payments deficit for 1968 was in excess of 500 million pounds.

Many burdens are imposed on the country in a misguided effort to cure the payments deficit and as a manifestation of good intent to impress past, present and possible future creditors. The additional controls and burdens that the British people have accepted during the last four years are astounding. Exchange controls have been put on all external movements of money; prices and wages have been frozen or tightly subject to government regulation, and all the time taxes are going up, and money is becoming more expensive to borrow.

Selective Employment Tax (that most unwarranted and unpopular of all British taxes) was inflicted in an effort to encourage exports and discourage home consumption—but it has simply raised costs and administrative expenses. Tax surcharges and purchase taxes leap like March hares (only more regularly), and all in the name of reducing the deficit, yet the deficit spirals relentlessly upward in defiance of all actions and controls.

It is surprising that most people have not yet paused to wonder whether we might be walking in the wrong direction, whether we are perhaps mistaking sand for rock. When you are looking for an address and cannot find the way, you ask somebody; but after asking the way 10 times and never finding the information to be correct, you begin to question the understanding of the informants.

When are the people of the free world going to begin doing this? When are they going to realize that those who direct the way do not *know* the way, let alone realize that they must make a 180-degree turn before they find it?

Until they understand the *basic forces* which determine the international and national economies, they will never find the way. This necessitates a discussion about problems which may seem far removed from the balance of payments. But we must understand why there *are* payment deficits before we can *stop* them, and those who are in the driving seat at the moment seem blissfully unaware of how the motor (which drives them along) operates. Modus Operandi Ignoramous.

THE CAUSE OF THE PROBLEMS

Our governments are fighting basic economic forces and wonder why they do not win. After World War II each currency was given a fixed price versus gold and versus each other; i.e., the value of goods and services in each country was fixed versus those in all other countries and exchange rates were the rates at which trade could take place.

Now it would have been very *clever* if all these rates had proved just and proper at that time (which they were not), but for them to have truly reflected the value of each country's goods and services *forever* would have been a *miracle*. Individuals *change* continually, economies change far more continually and less predictably (they are run by governments), so how can exchange rates, or the tradable value of goods and services remain the same forever? No rational person should have expected that they would, and indeed they have not.

The reason they have not done so is that the value of money in some countries has been eroded faster than in others. Governments find themselves unable to resist offering their electorate greater and greater benefits (mirages) in an effort to stay in power, but in order to carry out these promises even partially they have had to find a lot of money from somewhere.

They have taxed part of it from the rich to give to the poor, but it has not been possible to get enough in this way and so governments have been forced to borrow. There is a distinct limit to the amount they have been able to borrow genuinely from private individuals who wish to save and trust the government with their savings. In fact, this source seems now to be drying up on them completely.

As confidence in the British and American governments has waned, the price of bonds has collapsed, thus forcing up the rates of interest payable on it. The governments can *dictate* the amount they want to borrow, but if they do this they give up all control over interest rates. And for both political and economic reasons it makes no sense (even to our mad hatters) to force interest rates into the sky.

No, they have been unable to tax enough or to borrow enough from genuine savings, so they have had to resort to the lowest of the low, and in a court of law it could be called stealing, but in polite political circles the end product is called inflation.

Governments have borrowed from the banks, who have used the resulting government bonds as *collateral* against which to increase their reserves. These measures have been undertaken in part in pursuance of the mirages "everything for everyone" and in part on the neo-Keynesian theories of keeping the economy bouyant. The moment there appears to be a downturn on the way, badly financed government expenditure is undertaken to try to alleviate the situation.

Unfortunately, however, the second prerequisite of deficit financing is conveniently forgotten. In the ensuing upturn the money created during the depression is never recouped. The money supply rises *constantly* (in Great Britain it rose by 9.9 per cent last year) and if you increase the money supply, prices must rise.

It may be fashionable to say here, "Ah, yes, but not if the velocity of circulation is reduced," and this is theoretically true, but the pressures of inflation increase velocity rather than reduce it. The private sector sees the value of money falling so it will not increase savings and will not invest unless interest rates, potential capital gains or tax benefits are huge. It tends to spend now in case prices are higher next year.

The government in the U.K. has, over the past 20 years, tried to blame inflation (i.e., the fall in the value of money) on the banks which it was said were able to increase the money supply by constantly increasing loans. But this is no longer produced as their alibi. Banks can increase the money supply, but they are also bound to decrease it again. They cannot permanently increase it unless they have a permanent increase in deposits.

The politicians have realized that they can no longer hold the banks responsible for our inflation, so they have turned to the theory that the spendthrift individual citizen constantly increases the velocity of money turnover.

Admittedly, the faster the rate of inflation the faster will be the velocity of circulation, as witnessed by the 1920s' hyper-inflation in Germany, but—and it is a big but—why should velocity of circulation increase when the value of money is not falling? In other words, monetary circulation only increases after inflation has set in, but will not start it by itself. Indeed, it can only increase indefinitely if inflation is rife because under normal circumstances; i.e., with no inflation, it may alter slightly (seasonally) but it returns to normal again.

To hear the modern politician speak, you would think that velocity of circulation proceeded upwards and only upwards by a ratchet-like process. This is nonsense and it is quite ridiculous to blame it for an inflation that has plagued us for 20 years.

Demand cannot pull up prices unless there is a permanent increase in the money supply over and above any increase in output of goods and services. Neither can costs pull them up unless the same situation prevails. Since the banks cannot cause this increase nor can anyone else, we are left with government as the only possible culprit. Governments have done this either because it was the *only* way they know or because it was the *easy* way to *finance* the schemes that *they* judged their electorate needed or demanded. So they have had a vested interest in attempting to convince us that their expenditure produces wealth and equality while at the same time persuading us that we are the culprits; that we, not they, are to blame for causing inflation.

Henry Hazlitt in his mini-book, *Life and Death of the Welfare State*, goes into the relationship between the idea of a welfare state and the value of money in some detail, and I urge you to read it. Perhaps it suffices to say that any effort to introduce a welfare state (or a free or semi-free state providing welfare for all) cannot produce either wealth or equality. It cannot do so because it cannot offer a *choice* of service to the individual and it produces no *competition* between *suppliers*. It is expensive to run and has no built-in efficiency incentive.

A voucher system of providing social services for the *really* poor (as advocated by the Institute of Economic Affairs) would be much cheaper and would offer choices. In America a very costly social program is being undertaken to help all families below the official poverty line. In fact, 43 per cent of these families own an auto and 4 per cent own *two*—they would be the upper middle classes in England and would be the *rich* almost anywhere outside Europe.

It is because all these well-intentioned schemes waste resources and also put continual pressure on governments to create money that we are in such trouble now. The Viet Nam war is often blamed for all American problems, but this is quite stupid, as it is only responsible for a quarter of the gain in government expenditure since 1960. Civilian outlay has risen 50 per cent faster than the military and eight times faster than the population itself.

Herr Blessing has said that gold crise will occur *continually* until and unles the Anglo-Saxons stop inflating. I Henry Hazlitt's words, "All thes schemes are unsound and in the end al of them will prove futile. The truth i that no solution of the monetary prob lem, national or international, will b possible until inflation is stopped and that will not be stopped as long as w have the Welfare State."

So long as we insist upon inflatin we must have payments problems When the value of money is reduce faster in one country than in another that country must lose exports and in crease imports. Its goods will, at th fixed rate of exchange, seem ever mor expensive to the foreigner and vic versa.

Because the overseas accounts of each country must balance in practice, gol or convertible currencies must leave th country in the event of a so-calle balance-of-payments deficit. As the re serves dwindle, so does world confi dence in the ability of the monetar authorities concerned to hold the parit of the currency. This position wa reached in the U.K. in November 196 and devaluation took place.

Since then there have been endless rumors about the waning strength o the dollar and ultimate disaster was onl warded off temporarily by the erectio of the two-tier facade.

France also, despite seemingl enormous reserves, was nearly brough to her knees by internal troubles. Ha she *not* put her faith in gold over a period of years one does not lik to think what might have happened dur ing the spring riots of 1968. She los $1.4 billion worth of gold during tha spring but still had $4.6 billion left wit which to stave off a further crisis i November 1968.

When any major power reaches the sort of position outlined above, there must always be a crisis under our pres ent gold exchange system. No on wants to see their savings devalued and so they must remove as much as they are able from the offending currency as soon as its devaluation seems likely (o even possible). The system is in herently unstable and the instability is usually blamed on an "irrational" pref erence many people seem to have fo holding gold rather than paper money.

Government actions (whether joint o separate) to alleviate the position of various currencies as they became weak, have tended to have entirely the wrong effect, simply because the governments and monetary authorities involved do not understand what is causing the trouble. They are not generally bad men, but sophisticated ignorance can create as much havoc as evil intentions and certainly this has happened in the international monetary sphere. World authorities seem to look on investors and dealers of any sort as the big bad wolf who is just waiting to eject the whole world into chaos so that they can benefit.

Every man has a right to protect his property and most people would agree that creation of this climate *should* be the first role of every government. But most governments today are doing precisely the opposite. They want to *forbid* people to do it themselves, which must add up eventually to national and/or international suicide.

None of the controls imposed in the name of payments surpluses can fulfill their objectives. If funds are not free to move around the world, the world in general will not benefit from the successes of individual countries whether technical, managerial or whatever. The poor nations remain poor and most of the richer nations see their riches wither away. Also the individual

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payment position will not be improved.

The first point is that any such act is likely to invoke retaliation and this in turn leads to a general movement towards isolation, protectionism and shrinking world trade. Secondly, it may improve the immediate position while creating a future position that is untenable. In other words, we are slowly mortgaging the future to hold a present position that cannot possibly last. Both the U.K. and U.S. offer numerous examples.

The United States recently released, or at least claimed it was releasing, all its remaining gold stocks for payment of its international debts. This was done to give her creditors confidence that she *could* pay her debts. But since it meant abolishing her gold reserve requirement *behind* the dollar it is hardly likely to inspire confidence in anyone. It has freed her to meddle with her currency more than ever and thus worsen her payments position.

The U.K. has done just as badly by limiting overseas investment and now even prohibiting U.K. capital from going abroad to finance world trade; i.e., to act as the world's working capital. This will restrict world trade, which is certainly not in her interest, and it will have a catastrophic (and catastrophic is too weak a word) effect on the future payments position. The U.K. has traditionally had a trade deficit with the world but has counterbalanced it with an "invisible" surplus, a surplus in such things as banking, insurance and investments.

Had it not been for her Victorian investments abroad, the U.K. would be in an even worse state today, but her government appears too short-sighted to understand or admit this. Instead of encouraging the sector which has *always* proved to be her lifeline, the government has chopped it stone dead and turned instead to cajole and beat the sector where they have rarely been in a surplus and where there is less likelihood of one in the future. The economy has been subjected to more controls and taxes than can easily be counted, and all this in the name of a trade surplus which no one should suppose could be achieved anyway.

Another burden that the U.K. economy has been made to bear by its Socialist masters (and, incidentally, the Conservatives do not escape all blame here) is the nationalized industry sector.

All countries have to support a public sector of *some* sort, but the nationalization of many major sectors is too much for any country to bear. Out of four major industrial countries, the percentage of the working population employed by the public sector (excluding the armed forces) is 24.1 per cent in the U.K., about 15 per cent in the U.S.A., about 12 per cent in West Germany and about 7 per cent in Japan. While the U.K. burden is by far the heaviest, growth in the public sector since 1960 has risen by about 39 per cent in the U.S., over 20 per cent in Japan, 12 per cent in West Germany and only by about 10 per cent in the U.K.

This means that 76 per cent of the working population in the U.K. are supporting 24 per cent, many of whom are completely unproductive in terms of producing goods and services that people want and for which they are willing to pay. The rest, those employed by the nationalized industries, produce under conditions which are free of competition and so there is no yardstick by which to measure the efficiency of their use of resources and no reason to suppose that they use them efficiently. Other sectors of the economy, such as agriculture, are highly protected in both the U.S. and U.K. and any form of protection must mean that production is less efficient than it is in other countries.

Gibbon summed up our predicament very well when he spoke of the fall of Athens and unless we learn from Athens' failure we too must expect to follow her. He said, "In the end more than they wanted freedom they wanted security. They wanted a comfortable life and they lost it all . . . security, comfort, and freedom. When the Athenians finally wanted not to give to society but for society to give to them, when the freedom they wished for most was freedom from responsibility, then Athens ceased to be a free society and never was free again."

THE CURE

There are two parts to the solution of any problem. The first is to *understand* the problem and the reasons why there *is* a problem. (The previous section was intended to do this.) Then the second part is to define what is wanted in *place* of what one already has, because until one knows in which direction to go, there is absolutely no hope of getting there.

We do not like the instability of the present system because it disrupts trade and interferes with our living standards. We want a system that is stable, one that is not going to change or to need changing. We want one that restricts governments' abilities to inflate and does not allow them to point accusing fingers at other people when they (the governments) get into trouble. Such a system would encourage trade and overseas investment because it would stimulate confidence in government and the future.

At the moment we have a situation in which all currencies are fixed vis a vis each other and all are fixed at their present level vis a vis gold (at least this is how it is all meant to be). The internal values of the currencies change, but their external values in relation to each other cannot. So the quantities of goods and services moving from country to country change to compensate for the changing value of money itself. This produces imbalance in the external accounts. As these imbalances grow, the likelihood of major currency revaluations grows, and each and every national crisis brings a major *international* monetary crisis nearer, as people holding weak currencies try to unload them on an already overloaded market (in return for gold or stronger currencies).

The kernel of the problem is that two currencies, which are at present very weak, form the greater part of the *world reserves*, so that with each rock of the boat the *whole* system (rather than just two currencies) is liable to collapse. South American currencies, by contrast, can be permanently near to devaluation and it does not really matter (except to the residents of the country concerned) because world trade does not depend on such currencies and in addition, the currencies concerned do not attract the savings of other nations.

There are two ways of tackling our problem, which is a dual one. The system is one where two currencies are weak and this fact threatens the entire world's money arrangement. It is also one in which there is no self-correcting mechanism.

There are two possible solutions, the first of which would be to set up a system whereby the world monetary structure does not depend **on two currencies but has an automatic mechanism which slowly corrects the problems as they emerge. The second would be to have a system whereby the two key currencies cannot become weak.**

Liberal economist John Maynard Keynes (right, hands folded) was among those attending the Bretton Woods Conference.

The main industrial countries have tried endlessly over the last few years to improve the two reserve currencies, in an effort to support our crumbling international edifice. As the reserves of the U.S. and U.K. have dwindled, loans have been made to push the day of reckoning further away. The per capita public debt of the two countries has climbed as the reserves have wasted away.

The gnomes of Zurich have always realized that no loan can solve the problem but can only give a "breathing space" (a phrase we hear far too frequently) and in the case of the U.K. it is hardly even a breathing space any more but rather one loan to pay off another which has fallen due. Unless the internal economies of the countries concerned can be put right, these breathing spaces (loans) achieve nothing, or perhaps worse than nothing. With each new loan the British economy has been subjected to endless temperature-taking by the IMF and the gnomes. Taxes and controls have been piled on in the attempt to plug the payment gap. Devaluation itself was a dismal failure and yet we all continue to plod along the same old road.

Our governments must understand that taxes do not reduce public spending power when there is a government deficit or when the extra money only goes back again into people's pockets. The only way that taxes would help is if this revenue were used to reduce the public debt and if government spending were cut. Then the money supply would be reduced instead of redistributed and there would be the cutting back of effective demand that has ostensibly been the aim, for example, of most U.K. economic measures since Labour took office.

Another reason that the tax measures for the purpose of maintaining the parity of sterling cannot succeed is that the level of taxation is far too high and the *disincentive* effect of it must *reduce* rather than increase production.

Government spending was 18.5 per cent of GNP in the U.S.A. in 1968, 16.7 per cent in the U.K., 15.4 per cent in West Germany, 13.4 per cent in France and only 9.5 per cent in Japan. The high figures for the U.S. and the U.K., combined with the high percentage of the working population employed by the state, goes a long way towards explaining why the currencies are so weak.

Then we come to the *controls* which were imposed for the same reasons as the taxes, and with just as little success. The price and wage controls in the U.K. are the most blatant and obvious example. A Briton can no longer negotiate wages, nor can prices reflect the forces of supply and demand. The government has in effect removed all the signposts that should guide the economy. There are no longer any forces left directing resources to their most efficient use, and so the resources stay immobile and underproductive. Yet these controls were imposed to *improve* mobility and productivity. What the U.K. desperately *needs* is competition to force geographical and occupational mobility onto its resources. What it is *getting* is a system that discourages enterprise, investment, saving and productivity.

Throughout the world the hand of Big Brother is making itself felt everywhere, every time we think or move. In the international sphere there has been a cutting back of individual liberty, a stifling of competition and loss of good will. All of this will in the end prove disastrous to world living standards as country after country turns inwards to solve its problems. Unless the trend is reversed, international trade and investment must collapse and everyone will suffer.

The Chase Manhattan Bank's comment on the latest round of controls over international financing operations: "It would be difficult to think of a strategy more damaging to our economic interests or better calculated to play into the hands of those in Europe and elsewhere who wish to see U.S. influence diminished."

Thus world monetary authorities have fallen far short in their efforts to strengthen the currencies because they have totally failed to *understand* what has weakened them. We see government overexpenditure and a government sector which grows like a cancer and which directs resources in directions which will not be productive. Only by having stable internal governments with sound currencies will the present system work, and enough governments have proved for sufficiently long periods that this *is* impossible.

Governments seem unable to avoid growing. They have done so since history began and there is no reason to suppose that they will stop doing so now *unless* there is some automatic mechanism to check them. The French body politic is perhaps the only major government that has finally realized that government expenditure is closely related to currency crises. They have cut public expenditure severely, but whether they will stop inflation and reintroduce competition in all sectors remains to be seen.

AN ALTERNATIVE SYSTEM

Since there appears to have been complete failure to make the present gold exchange system work, and since it seems unlikely that it will ever succeed (because it cannot adjust to a changing world), then we must look for another system.

There is much talk in the world today that it should be possible to create a currency that could be used for all international transactions. All currencies would be exchangeable for it and it could be expanded as the need arose. Many economists feel that there is a shortage of international liquidity and hence the payments crises and the drift to isolationism.

Any idea along the lines of an international currency is, however, totally impractical and undesirable. It would merely inflict on us more of the same crises as we experience now. Who would create the currency and expand or contract it as the need arose? Why, an enlarged IMF, of course, which could expand it every time a crisis was imminent.

The answer here is that there is no shortage of international liquidity but only an *uneven distribution* because there is no force working for international balance. If some countries run permanent payments deficits (for the reasons

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discussed above) while others are extremely competitive and run surpluses, then the deficit countries should find themselves short of money.

Just as an individual who spends more than his income will eventually find himself facing bankruptcy, so a country should find the same and it will not be because there is a shortage of money.

Germany's chief banker, Herr Blessing, says that world trade does not depend on international liquidity. What causes trouble is "the pursuit of grandiose political, economic and social objectives which militate against price stability and balanced international settlements."

Any system under which it is possible for an organization or body to produce money will not work. The pressures from deficit countries to increase the money supply by making loans to them would be unbearable. The supply will spiral and the value of it and confidence in it will collapse. Sir Leslie O'Brien, governor of the Bank of England, finds "the attack on gold to be ironic, for it is not gold which is the root cause of the present uneasiness, but doubts about the alternative reserve assets. Let us concentrate on containing the role of the alternatives first and leave to the last any discarding of gold in which most of the world, rightly or wrongly, still firmly believes."

Another proposed system that received wide support is adjustable, or floating, exchange rates. At least it has wide support from economists, but is regarded with great suspicion in banking circles. Bankers like to know exactly how much money they have rather than to feel that its value can change constantly. Despite their views, however, the system does have its merits. All currencies would be free to fluctuate versus other currencies and versus gold.

So instead of having traumatic devaluations from time to time (and the *threat* of them more *frequently*) any currency which was inflating relatively fast, or which was losing in relative efficiency, would find its value falling in world markets. It would buy less and less abroad and comparative prices of domestic goods and services would be cheaper to foreigners. There would then be an automatic reduction in imports and an increase in exports which would tend to push the price of the currency back up again.

To take today's German mark as an example: demand for it would rise as demand for German goods and services rose. The price of the mark is thus pushed up, which in turn reduces exports and increases imports and so balance is restored.

There would be no need for the rest of the world to clamor for a revaluation of the mark: it would happen slowly and automatically. It is claimed there would also be little or no need for gold or large quantities of currency reserves to be available to support currencies at a fixed level and that there could never be a shortage of international liquidity. This is surely an exaggerated claim. If not, the idea is suspect. It could work *only if every* currency is convertible into gold.

But the main disadvantage would be that the value of any currency could not be known in advance and this might easily hamper trade. Importers and exporters would be hard pressed to calculate the price they would have to pay for the currency they need. It is claimed this hurdle is comparatively small. Traders should always be able to buy currency forward and thus know "a price" in advance, and a healthy exchange market would soon develop for this purpose. (It would be an additional expense for businessmen, of course.)

Also, arbitrage operations would expand to equate currencies throughout the world and so eliminate cross rates. Future currency markets are insufficient today for the floating exchange system, and their worldwide development is an unknown quantity, especially with respect to the *cost*. For currencies in trouble the cost might restrict trade badly. In any case, trade could hardly be more restricted, it is claimed, by the uncertainties of future exchange rates than it is at present through government actions to correct payment deficits. There would be no need or excuse for any tariffs, or quotas or exports subsidies.

Another criticism of this system is perhaps equally important. It is that there would be nothing to restrain governments from inflating even faster than at present. If they did this, residents might begin to demand more goods from abroad (as happens now), but almost immediately the value of the currency would fall, restricting imports again.

If the country continued to inflate, the value of the currency would continue to fall but it would be *seen* to be falling and residents would see their living standards falling too. Surely when such governments were no longer able to hide the fact that inflation was "devaluing the pound (or dollar) in your pockets" the electorate would stop clamoring for the welfare state and all its attendant expenses. Of course a currency can fall quite far before this happens.

Floating rates seem unlikely of adoption. More popular is the "crawling peg" system, which still requires reserves, is more accommodating and perhaps more realistic for the times. It won't do much good nor much harm, thus political odds favor it. In short, it is a compromise. Compromises usually win the most votes but seldom solve the problems permanently.

The last system that must be considered to provide a sensible substitute for our gold exchange standard is the good old gold standard that worked so well for the Victorians. It has its opponents, but it also has a large band of advocates.

My friend, the late Prof. Wilhelm Roepke in his book, *Crises and Cycles,* says, "The abandonment of the gold dollar by Roosevelt must be viewed as one of the most disastrous acts on record of any government and any country in modern times, both for itself and for the world."

Then T. Jefferson Coolidge, once undersecretary of the treasury, said in the book, *"Why Centralized Government"*: "Free enterprise has made us great and prosperous and free enterprise is an essential of democracy.

"Consider certain principles deemed through the centuries as vital for free enterprise under (sound) governments: the gold standard, so that money is free and stable and cannot be ruined by unwise government."

When there is no gold standard he felt that: "We have no assurance of future convertibility into gold or anything else. The Administration is all-powerful as regards monetary values. No sound principles have been established. Rather, past principles considered sound for centuries have been laid aside and in their place the Administration is the dictator of what is to be done from day to day."

Many opponents of reintroducing the gold standard object on purely political grounds. Why, we are asked, should countries that have continually rocked the boat by hoarding gold (e.g., France) benefit from the imposition of a gold standard? And why should Russia be given a built-in advantage (as she is known to have large stocks)? Then again, why should the world's major gold producer, South Africa, receive such a bonanza when she undertakes policies that are politically unacceptable to so many? Why indeed, when those countries which have forborne from collecting gold (or converting their dollar and pound holdings into gold) would lose out so badly? But then, why cut off one's nose to spite one's face when the gold standard could solve all our problems?

Under a gold standard all currencies must be backed by gold to a certain fixed extent and the gold which backs the currency also acts as the country's reserves. If there is a payments deficit gold leaves the country and this causes an immediate contraction of the money supply and internal deflation. This would be a true deflation and not the cockeyed deflationary "measures" undertaken by politicians at the moment. Then, if the country had a surplus on its foreign accounts, gold would flow into the country and the internal currency would be expanded against it. Prices and imports would rise and exports would fall, thus restoring the balance. Under this system imbalance is simply not possible, *nor* is internal inflation.

The general grouse against it is that no government can inflate to get its country out of a depression. But surely having watched this fallacious Keynesian principle at work for so long, people must soon begin to associate deficit financing with the balance-of-payments deficit and monetary-folly mess we are in today.

A gold standard has other advantages over our present system. Currently the price of gold is fixed versus the dollar and although there is *meant* to be a free market as well, the price there tends to be kept down by certain political pressures. Because the free price has so far rarely been more than $42 an ounce, the amount of gold now available would not finance world trade (another of the arguments put forward by the anti-gold standard brigade). If the gold standard were brought in, the price of gold would doubtless rise by agreement and this would stimulate production.

At the moment Russia is mining large quantities of the ore because production cost there is ignored and in addition she is very short of foreign exchange. If the free world insists on keeping the price of gold down, it will find that soon Russia will be the *only* country still mining gold.

Most people feel gold is valuable and would prefer to trust it rather than paper money. Since this is a fact of life and is unlikely to change, it would be sensible to institute a proper gold standard. This is the only system which will *last* because it regulates economies automatically instead of having to rely on politicians with their eyes on the next election.

Getting back to our simile of rock versus sand, as a foundation, gold is like a rock; it respects the principles of sound money and *until* we build our international monetary edifice on bed rock it will *always be* liable to collapse.

In the words of George Bernard Shaw, "You have to choose between trusting to the natural stability of gold or to the honesty and intelligence of the members of a government, and with due respect for these gentlemen I advise you, as long as the capitalist system works, vote for gold."

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'ortugal's Hands Full

Africa Looming as Cold War Front

By HENRY J. TAYLOR

Lisbon:—The NATO problem in this nember nation is that its soldiers, in otal, have been drawn away from the lefense of Western Europe. As the Reds have pinned us down in far-off Viet Nam, so have the Reds weakened NATO by forcing this member to commit 30,000 troops to far-off Africa.

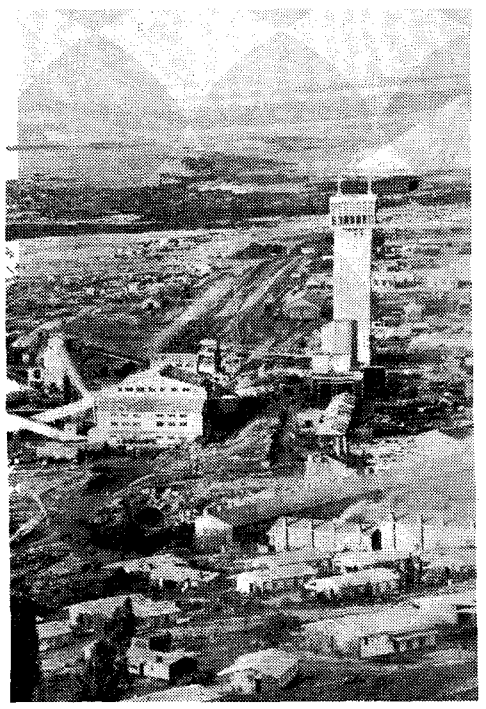
There they face, as we do in North Viet Nam, guerrilla cadres—many trained n the USSR, Red China and Castro's Cuba and totally equipped by these ponsors.

The chief direction for the terrorists is in Leipzig, East Germany, where the so-called African Revolution Front has its headquarters. And as the war in Viet Nam could not be continued for 30 days without Russia's aid, neither could the warfare in Portugal's Mozambique and Angola.

The battlefields are far larger than ours. Angola is scattered across an area nearly half the size of Western Europe. The epicenter of the war is along the Benuela Railway, a vital link between he central African copper regions and he Atlantic seaboard. The war in Mozambique, in turn, is now seeing a new and undisclosed expansion.

Portuguese officials here tell me that he epicenter of the Red attack is moving now from Mozambique's northern agricultural regions to the vital Tete district. There work has just started on a joint Portuguese-South African project to build a 500-foot dam on the Zambezi River and an immense hydroelectric complex o generate power for southern Mozambique and South Africa.

All authorities I have talked with here and in Spain agree that this massive Cabora-Bassa project would have a tremendous economic impact on the underdeveloped countries of central and



The large gold mining complexes in South Africa highlight the economic value of Western-oriented interests in Africa. But the Communists are moving rapidly to entrench themselves in the Dark Continent.

southern Africa and, in fact, could attract a million foreign settlers there.

The Reds' Leipzig headquarters is now concentrating on the defeat of this. Operating through the so-called Mozambique Revolutionary Committee (Coremo), the brain-trust in East Germany is making the Cabora Bassa development its prime target. U.S. intelligence quotes the Leipzig group as stating: "We shall either destroy the dam or make it completely uneconomical."

Portuguese officials reveal that the summer of 1966 marked a turning point. There was a sudden intensification of Red activity and support in both Angola and Mozambique. Behind the scenes here in Lisbon plans to earmark troops for NATO had to be scrapped. The guerrillas began attacking in formations and used—as they are continuing to use—more and better weapons than ever before.

The change coincided with the return of large cadres from the Iron Curtain countries' training centers and a dramatically increased supply of Russian and Chinese arms shipped into the areas, along with "volunteers" that Castro sent in from Cuba.

As in Viet Nam, the Red strategy of using an outside country—Laos—as a sanctuary is being repeated. This is another identification of the same pattern we are seeing in our own war.

Angola's neighboring Zambia, sometimes called the cockpit of Africa, is the sanctuary-equivalent of Laos. Many of the assaults are mounted from there and, if repulsed, the Reds withdraw to there—safe and sound. Meanwhile, the Zambia headquarters at Lusaka is bristling with Soviet, Red Chinese and Cuban officers.

Russian Ilyushin airliners off-load military equipment from the USSR and satellite countries, chiefly Czechoslovakia, and "students" returning from a nine-month guerrilla course at a special African training center in Odessa.

The lack of success in the zooming Red assaults has been the Reds' failure to date to gain the support of Mozambique and Angolan Africans. In fact, native resistance to the assaults seems to have upset the Leipzig timetable entirely, and 40,000 Africans now are serving in the Home Guard in Angola alone.

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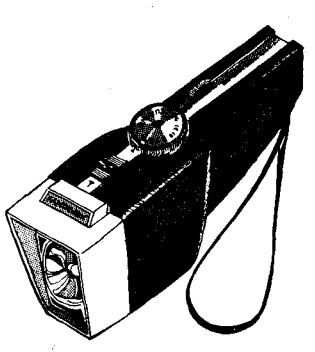

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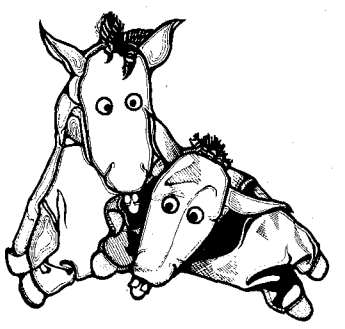

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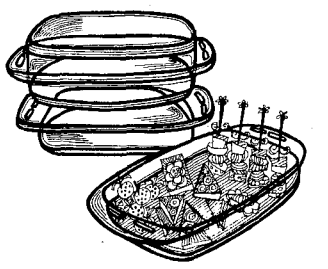

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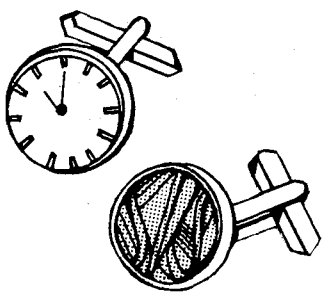

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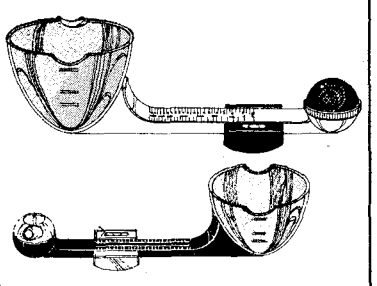

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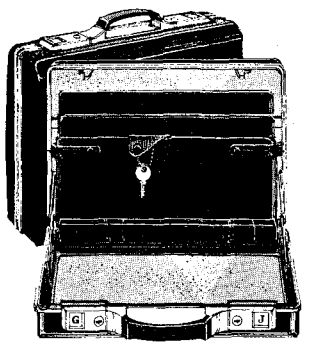

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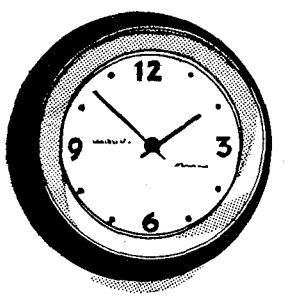

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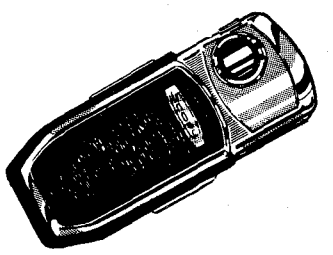

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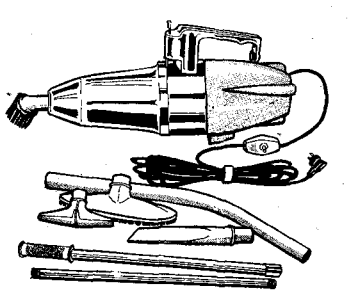

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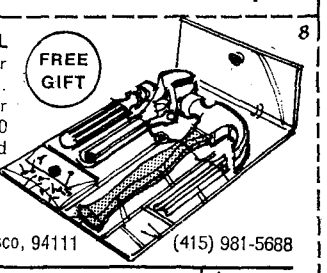

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Military Is Tightening Grip on Red China

New era of order and end of dispute with Soviets likely

By BRIG. GEN. SAMUEL B. GRIFFITH II, (USMC-Ret.)

(Gen. Griffith is regarded as one of the best authorities on Red China's military establishment. He served with the Marines in China both before and after World War II, holds a doctorate in Chinese military history from Oxford University, and is the author of The Chinese People's Liberation Army *[McGraw-Hill],* Peking and People's Wars *[Praeger], and other books on the Chinese military.)*

What is the power position of the People's Liberation Army (PLA) in China today, and what policy influence will the PLA be able to exert in the next few years? These are the questions which are agitating "China watchers" in Hong Kong, Washington, Tokyo, New Delhi and Moscow.

While we now have some quite specific answers to the first of these, we have none at all to the second. And, although Chinese Communist Party Chairman Mao Tse-Tung is popularly believed to be endowed with the legendary power of Prometheus—the ability to foretell the future—it is unlikely that even he knows.

During the past three years the responsibilities and authority of the PLA have expanded tremendously. How did this change in role come about? To answer this question and to define the army's present position, we must go back to Jan. 28, 1967.

On that date Chairman Mao was forced by the rapidly deteriorating internal situation to take an irrevocable step in the direction of further regimentation and militarization of Chinese society. This was to inject the PLA directly into the Great Proletarian Cultural Revolution Mao had personally launched the preceding spring.

There is some reason to believe that Mao was reluctant to make this decision. After all, it was he who once wrote, "Every Communist must grasp the truth: political power grows out of the barrel of a gun."

Mao was aware that the guns of the army had brought him and the party he led from the caves of Yenan to the golden-roofed palaces of Peking. He was equally aware of the corollary: the PLA had the power to eject him.

But in January 1967, with the People's Republic in a state verging on chaos, the calculated risk that the armed forces or significant elements of them might prove unresponsive, or worse, actively disloyal, had to be accepted. The chairman is not a temporizer. He took that risk. Precisely how it will ultimately pay off remains to be seen.

But some facts have emerged, and some interpretation, admittedly speculative, is possible. Since that January decision the extent of the army's authority and the depth of its control have gradually increased, until today its influence is felt on all levels and in every segment of Chinese society.

Soldiers now occupy the responsible positions on all provincial revolutionary committees; in the factories and mines; in secondary, vocational and technical schools, and in the universities. The PLA, in fact, runs the once-celebrated Peking Opera.

The military oversees, even if it does not directly operate, the means of communication—bus systems, railways and domestic airlines; the media—press, radio and television—are also supervised by the PLA.

As a Peking newspaper reported, "All matters, both great and small" are referred for decision to the military representatives on the revolutionary committees. There is no doubt about who has been running the country.

One should not assume that army administration in China will soon be supplanted. The contrary is more likely to be true, for recent events indicate that the power position of the PLA has been qualitatively enhanced, and history proves that it is extremely difficult to unhorse the military once it is firmly in the saddle.

The 9th Party Congress, held during April in Peking, did not provide a conclusive answer to the question of whether the party (or what is left of it after the repeated purgings of the last three years) will be able to command the gun, or whether the gun will eventually command the party.

In what appears to be an ambiguous arrangement, Mao and his immediate entourage ostensibly emerged on top, but in China appearances do not necessarily correspond to reality. Ultimate power, in the People's Republic, resides in the new Political Bureau elected by the Central Committee, and here the military marked significant gains.

Military men, it is true, are not in the majority of this 21-member group. But the PLA "bloc" is sufficiently strong to make its voice attentively heard, and its views respected.

Of the military, the most important figure is of course Lin Piao, the minister of defense and Chairman Mao's designated heir and "closest comrade in arms." This man is both a professional soldier and an accomplished politician. He has been intimately identified with Mao since 1959, and during the Cultural Revolution became, in a sense, Mao's military alter ego. For the present his position is secure, and as long as Mao lives his career is assured. What his fate will be after the demise of the chairman (possibly the only event "China watchers" can predict with a reasonable degree of assurance) is another matter.

Lin Piao, left, the heir apparent to party boss Mao Tse-tung, confers with the aging dictator at an unspecified date or locale.

The Red Guards, the shock troops of Mao Tse-tung's Red China, created a great upheaval in China in past years, but the established military forces appear to have the upper hand.

For the immediate future, several possibilities must be considered. The least likely of these is the displacement of Mao and Lin Piao by a military coup at the top. Mao's unique position as an indispensable authority symbol in the People's Republic would discourage, if not inhibit, any disgruntled military clique from making an attempt to seize control of the executive apparatus.

Perhaps more importantly, no such clique could exist in the PLA, for today no senior officer would dare jeopardize his career—if not, indeed, his life—by participating in a conspiratorial undertaking directed against the aging chairman.

A second (and in my opinion an almost equally unlikely) possibility is a reversion to the military regionalism characteristic of China before World War II. The armed forces of the People's Republic are today nationalized and, as their behavior during the past three years sufficiently demonstrates, their loyalty to Peking transcends sectional tendencies.

What seems most probable is that China will now enter a period in which unity, and law and order, will be the watchwords. Certainly, the nation requires an opportunity to recuperate from the emotional tensions and economic stresses induced by Mao's "last revolution." The inclusion of top military men in the newly elected Political Bureau suggests that this course will be followed.

Now that the party, the government apparatus, the educational system, the cultural realm, and the PLA have been purged of the "monsters, ghosts, freaks and demons" who, so the Mao-Lin faction asserted, were propelling the People's Republic "down the capitalist road," we may anticipate a unified effort to consolidate the positions won at such cost to Chinese society.

More realistic domestic policies, particularly in the economic sector, seem mandatory.

True, it was precisely for his advocacy of such policies that State Chairman Liu Shao-Ch'i was denounced, pilloried, disgraced, stripped of his titles and offices and kicked out of the party. But surely Mao has learned that aberrant economic programs, such as the "Great Leap Forward" of 1958-1959 which nearly wrecked the country, are counterproductive.

We may with good reason expect the high command of the armed forces to oppose an attempt to again impose Mao's utopian economic concepts to the detriment of industrial and agricultural moderization.

At the same time, we may anticipate some attempts by Peking to rehabilitate her international image, badly disfigured by the excesses of the Cultural Revolution.

This is not to say that we should expect a significant softening of her belligerent attitude toward the United States. But the enhanced power position of the military may presage a tentative approach to some solution of the Sino-Soviet conflict.

If strategic rather than purely ideological considerations were gradually to become ascendant in Peking's foreign policy—and they well may—the first positive sign will be amelioration of Sino-Soviet tensions.

This would be coupled with tentative initiatives calculated to end Peking's isolation (which is to a considerable degree self-imposed) from the international community.

Improvement of relations with Washington is a low-priority item, and it is doubtful that there could be any real progress in this direction until Mao leaves the scene. At that point, a new act will begin in the fascinating drama being played out in the People's Republic of China.

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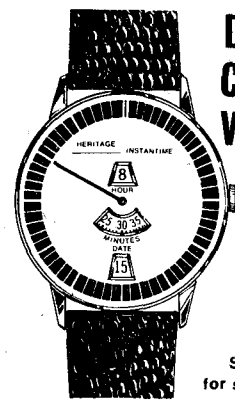

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.A. Mayoralty Post-Mortem

The Egg on Liberal Establishment Faces

By MORRIE RYSKIND

Shortly after the Ides of March, soothayers warned, California would fall into he ocean. It didn't—but, to judge by ıe liberal post-mortems of the Los ıngeles mayoral race, it might have ₰een better if the whole miserable state ⁄ere now lying at the bottom of the ⁄acific.

For a cantankerous electorate, despite he pleas of the town's ultra-progressive aily, the ADA, COPE, the California Democratic Council, Senators Ted Kenedy and Charles Percy and ex-Sen. ·om Kuchel, staged a vote-in which e-elected Sam Yorty over Tom Bradley.

This revolt against constituted author-y has evoked anguished moans from ll the liberal media, but none to compare ⁄ith the shrieks of our aforementioned ıorning paper, which is now known s the "L.A. Literary Digest." For ın the very eve of the election, its poll howed Bradley winning by a wide ıargin.

The shattering reality has left egg-tains all over the paper's face and nduced a persecution complex that manifests itself by hurling maledictions at he electorate which ignored the sheet's ·ditorials.

Thus, Yorty "gathered as his chief ·upporters those who shrink from the ·hallenge of the future, who fear their ellow Americans, who would prefer to ›lay it safe." And, above all, is the ınmistakable charge that racism was the ıain devil.

If true, we're in a bad way indeed. For the President took time to phone Yorty his congratulations, and Gov. Reagan and Sen. Murphy sent wires of rejoicing at his triumph. And, worse luck, the paper had backed all these neo-Nazis in their campaigns.

Strangely, in his previous eight years as mayor, Yorty had never been accused of racism. In truth, no other executive in L.A. history had appointed so many members of our various minorities to office. And it is hard to believe white racism played a decisive part in the contest when Bradley got 47 per cent of the vote though blacks number only 18 per cent of the population.

The racism, if anything, was inverse. Bradley's pitch to the Negro areas was almost entirely based on color. One of his ads called for the registration of 100,000 new black voters to insure victory. But never did Yorty appeal for votes because he was white.

The deciding factor was "law and order," evidenced by the fact that the same voters ousted two liberals on the Board of Education who had been soft on school militants. And, in the race for trustees for the Junior Colleges, gave the nod to five conservatives out of a possible seven. And all for the same reason.

Whatever "the challenge of the future," the silent majority were taking first things first and answering the challenge of the here and now. The "fellow Americans they feared" were the ones, black or white, who made the streets and the campuses unsafe—and they found the recognizable ones in the Bradley camp.

That's why so many women were for Yorty. And if the police and the firemen were overwhelmingly for Sam, it was because they remembered that, when the rioters at Century City demonstrated against then President Johnson, Bradley had called for an inquiry not into the acts of the rioters but into the behavior of the police.

And, despite the labor leaders, many unionists went for Yorty. Especially those in the movie industry, who remembered only too well the days when the Reds came periously close to taking over the Hollywood unions and guilds, and when Ronald Reagan, then head of the Screen Actors Guild, was forced to carry a gun to protect himself against the threats of the comrades.

For Bradley had a trio prominent in his campaign who had previous Communist ties, men with records of being "militant activists." And, for a sizable number of voters, that was three too many.

Nor were they satisfied, when Yorty presented that record, with Bradley's response that he "would not dignify such outrageous charges by getting into the gutter with my opponent." So they turned thumbs down on Bradley, as they would have turned against Yorty had the situation been reversed.

There's still one unanswered question—how did the trio land their posts? For nobody gets an important campaign spot unless he comes highly recommended. Who did the recommending? There's a post-mortem worth looking into.

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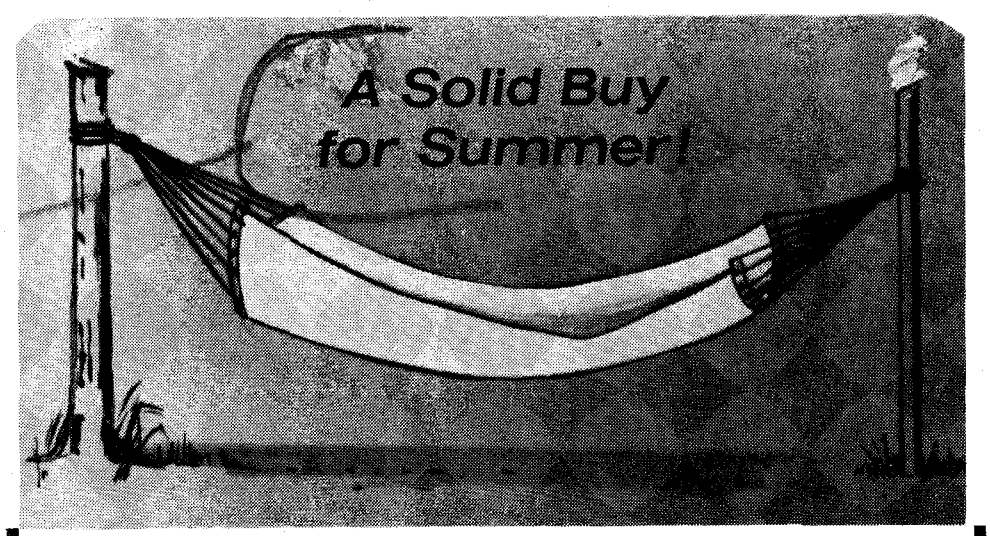

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Bella Dodd's Warning

Reds Backed Separate Negro State

By JOHN CHAMBERLAIN

Bella Dodd, the ex-Marxist schoolteacher and backslid member of the National Committee of the Communist party in the U.S., died the other day, and there was little enough comment on her career. She had been part of what the ritualistic liberals call the "dreadful McCarthy period," without bothering to distinguish between those who gave us accurate information about Communists and those who dealt in exaggeration.

Bella Dodd was one of the accurate witnesses. She had been expelled from the Communist party in 1949, but short of killing her the Central Committee could not very well expel from her head her memories of a vast acquaintanceship with key Communists. She knew of 1,500 actual Communist party members in the teaching professions.

I don't know what Bella Dodd would say today about the theory that staff work carried out by orthodox Gus Hall Communists has something to do with twisting the direction of the New Left. Very probably she would be mystified by the apparent fact that there is no single Left "conspiracy" in 1969. The Progressive Labor party, working on Maoist principles, goes one way; the Gus Hall Communists go another; the Trotskyites are a third element. But if there is no obvious coordinating staff work behind the shenanigans promoted by New Leftists, there is certainly a contagion of programs and ideas.

One of the contagious programs is for a black apartheid. What has happened is that a blueprint set up by Bella Dodd and her co-Communists on the party's National Committee in 1946 is now being taken up by active radicals who are not necessarily under the control of any party.

"The sessions of the December 1946 National Committee," so Bella Dodd noted, "were notable for their long-winded, long spun-out, and fantastic justification of the line of 'self-determination' of the Negro in the Black Belt." At the time this idea of a separatist Negro state was considered by Negroes to be laughable, if not idiotic.

Said Bella, "Only the intelligence and patience of Negro leaders in America have made possible resistance to this mischievous theory which was contrived by Stalin. . . . Briefly told, it is the theory that the Negroes in the South form a nation, a subjugated nation with the desire to become a free one, and that the Communists are to give them all assistance."

The theory, be it noticed, was not advanced by the Communists in good faith. As Bella Dodd put it, "It was a theory not for the benefit of the Negroes but to spur strife, and to use the American Negro in the world Communist propaganda campaign to win over the colored peoples of the world. Ultimately, the Communists proposed to use them as instruments in the revolution to come in the United States."

After Stalin's death we didn't hear very much of the idea of Negro separatism. But, as everybody who follows the statements of some of the black militant leaders, not necessarily Communist, knows, the idea has surfaced again.

Not so long ago *Jet* magazine printe the notice of a petition drive for Black Republic. Said the *Jet* article

"U.S. blacks working to acquire fiv states as home for a separate blac nation began a drive to get ghett dwellers to sign petitions, asking paymen to blacks for past injustices, and fo recognition of the newly formed Repub lic of Black Africa. . . . The petition call for the U.S. to pay $10,000 fo each person in the new state—$6,000 t the Republic and $4,000 to the person.'

The plan outlined in *Jet* has had sympathetic echo in the writings o W.H. Ferry, a member of the Cente for the Study of Democratic Institution at Santa Barbara, Calif. In the college the agitation for a black-sponsore apartheid takes the form of demand for "black study" programs which ar to be administered and staffed on a autonomous basis by Negroes, an limited to Negro students.

Bella Dodd would not have beer surprised by the surfacing of an old Communist proposal dating back tc Stalinist times. Since no congressiona majority is going to vote to cede Louisiana, Alabama and other Southerr states to the Republic of New Africa, the idea is still silly from any practical standpoint. But the junior sort of sepa ratism (see the "black studies" program at Antioch College) is very much alive. In the light of Bella Dodd's testimony, we can't say that we haven't been warned.

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BITTER TRUTH—Death and taxe are inevitable, but death doesn't ge worse every time Congress meets.

James Forman's 'Total Power'

By VICTOR RIESEL

Just as he has been pounding at the pulpits of peaceful churches, bearded James Forman soon will be pounding on corporate tables and trade union doors demanding new "reparations" in the billions of dollars.

The bearded director of international affairs of SNCC("Snick") hardly intends to stand peaceably in the pews of the nation's great religions. Those who, out of the graciousness of sensitive reaction to past sufferings, believe Mr. Forman to be seeking financial restitution, have not read his Manifesto. Nor have they traced his travels to East Africa in general and Maoist-imbedded Tanzania in particular.

Mr. Forman has developed a concept of "Total Power." To win this, the six-foot, well-stocked, always angry Jim Forman advocates total terror and a "perpetual state of guerrilla warfare."

Always agitational, the peripatetic Mr. Forman has utter contempt for other radical leaders, be they white or black. He means to leave them far behind in his effort to "bring down" the U.S. government. Those who believe his words are the rhetoric of confrontation don't know James Forman. Where the others are activists, he is an actionist. While the others confront, he conspires. Where others are militant and content with sporadic upheaval, he is dedicated to a movement to seize all means of production.

"Ironically, some of the most militant Black Nationalists, as they call themselves," he said recently, "have been the first to jump on the bandwagon of black capitalism. They are pimps: Black Power pimps and fraudulent leaders. The people must be educated to understand that any black man or Negro who is advocating the perpetuation of capitalism inside the U.S. is in fact seeking not only his ultimate destruction and death, but is contributing to the continuous exploitation of black people all around the world.

". . . We live inside the U.S. . .and we have a chance to bring this government down."

At this moment, James Forman is preparing to switch from the ecclesiastical frontier to the industrial front. We have his own Manifesto as corroboration.

"While we talk of revolution," said he, "which will be an armed confrontation and long years of sustained guerrilla warfare inside this country, we must also talk of the type of world we want to live in. We must commit ourselves to a society where the total means of production are taken from the rich people and placed into the hands of the state. . . . That is what we mean when we say total control."

Mr. Forman sees his movement seizing control over "everything that exists."

His specific targets, for the moment, are General Motors, Ford, Chrysler, the DuPonts, the Rockefellers and the Mellons.

Mr. Forman tells his people that they, his small band, could cripple the economy of the U.S. This would come by seizing, or disrupting, or striking a bargain "with the chief industries in this country."

To seize "state power," Mr. Forman's "Total Power" movement sees itself using the power of the gun. This unread Manifesto of his is far, indeed, from the still-peaceful manner in which he is confronting churchmen. It's obvious that Mr. Forman's band has begun its long march and that there is more in his concept of violence than in concentration on religious reparation.

A more realistic impression of Mr. Forman can be gathered from a black cultural festival held at Tougaloo College, Tougaloo, Miss., April 11-13. Extremist SNCC and Black Panther speakers urged the college students to overthrow the government, first by arming themselves, then by violence, and to support the Third World Movement.

Mr. Forman makes no secret of his bid for total power, or of his plans to confront American industry, or of his plans to stand face to face with the nation's big unions, or to take over the state.

He knows where he wants to go. It is unfortunate that so few heed his disdainful warning.

When he says total power, he means just that. He will not make it. But a long red glow will mark the trail.

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SPOTLIGHT ON CONGRESS

Welfare Standards

By REP. GENE SNYDER (R.-Ky.)

Department of Health, Education and Welfare Secretary Robert Finch announced recently that the Nixon Administration has postponed a Johnson Administration decision that would permit welfare applicants to start drawing benefits without an investigation of their eligibility.

In my view, this action is a prudent one. Certainly, no one wishes to deny benefits to those really in need, but on the other hand, the taxpayers' hard-earned dollar should not be spent until the need is established; and, therefore, I am pleased that another long look is being taken at what I consider to have been a hasty and ill-advised action by the Johnson Administration.

In the years from 1957 to 1967 payments by state governments to local governments for welfare purposes almost tripled. In 1957 states paid $1.025 million to local government for welfare, while in 1967 this figure amounted to $2.993 million, or an increase of 192 per cent. With taxes already too high, the need to account for each dollar spent, whether by state, local or federal government is daily more critical.

UN Flag on Moon?

By REP. BILL NICHOLS (D.-Ala.)

A number of my constituents are concerned, as I am, about reports that the United Nations flag rather than the United States flag will be planted on the moon by our astronauts in July. At first, I thought this was too absurd and had discounted it altogether. But I wrote to the National Aeronautics and Space Administration asking if there was any possibility that some flag other than our own would be taken aboard Apollo 11. Their reply was rather vague and led me to believe that the U.N. flag might be under consideration as a marker on the moon. Giving further credence to this is the fact that Apollo 10 had 117 United Nations flags aboard it. These flags will be presented to each member of the United Nations, presumably including those nations which are helping the Viet Cong kill American men in Viet Nam. The American taxpayers have single-handedly financed the research and experimentation which will lead to this moon landing. It would be an insult to the people of our country if any flag other than Old Glory should be planted on the moon by the Apollo 11 astronauts.

Moon Trip Fine, But. . .

By REP. BARBER CONABLE (R.-N.Y.)

I would like to add my voice to those expressing skepticism about the proposed schedule of 10 additional moon landings after Apollo 11. It is difficult for me to believe that such a repetitive program for exploration of the moon can possibly return scientific knowledge sufficient to justify the expense and the hazard to our fine young men who serve this country as the pioneers of space. A splendid success repeated too often does not remain a success but becomes a waste.

The success of Apollo is a great tribute to NASA and to the quality control of the American aerospace industry. I have long felt, however, that once we have demonstrated the capabilities involved in landing men on the moon, we should proceed to less dangerous but equally significant scientific projects. If we don't have such projects prepared at this time, because of our concentration on manned space flight, let us save some of these rockets until we can develop a purpose in unmanned space flight worthy of the investment the American taxpayer has already made in the Saturn V.

Respect for Law

By SEN. JOHN McCLELLAN (D.-Ark.)

Lawless behavior and disrespect for our most vital institutions have become so virulent and widespread in the United States today that Congress will be derelict in its duty if it fails promptly to take affirmative steps to improve law enforcement. If such steps are not taken, all too often we can expect that habitual criminals will be released and protected from further prosecution after conviction of heinous crimes on reliable evidence. Officials and citizens increasingly will be misled into seeing pretrial challenges to police activity rather than trials of guilt or innocence as the battlegrounds upon which the foundations of our civilization are defended or lost. Secret government intelligence will be furnished to the very individuals whose only use for it is to threaten not only our public agents and their work but our very institutions. The Congress must not permit the development of rules of procedure and punishment by which the freedom and security of our best citizens are surrendered to the whim and criminal greed of our worst, and by which new generations are taught that our institutions are impotent. We have a solemn duty to act, and to act now.

Post Office Crisis

By REP. WILEY MAYNE (R.-Iowa)

The word "crisis" in Chinese is represented by the juxtaposition of two word pictures—the word picture for "danger" and the word picture for "opportunity." Today America faces a crisis in mail communication. But although we are confronted by the danger of a breakdown in our mail service, we also have the opportunity to do something about it.

It is about time, for it certainly is a paradox that just when we are close to landing a man on the moon, we still cannot seem to deliver a letter on time. Such a spectacle would be laughable if it were not so serious.

President Nixon has proposed a plan that would take the Post Office out of politics and make it an independent government-owned operation run like a modern business enterprise. This new U.S. Postal Service will be self-supporting with the regulation of postal increases decided by expert rate commissioners, just as in any public utility.

If we seize this opportunity to introduce these reforms, gone will be the days of bigger deficits and mounting postage costs along with slower delivery and poorer service.

Legislative Boxscore

The following is a round-up of items of particular interest to Human Events readers:

• Legislation requiring **full financial disclosure by government officials** has gained added momentum following the fall of Abe Fortas and the slight stumble by Justice William O. Douglas. The most far-reaching bill (S 1993), with bipartisan sponsorship from 19 senators, would require all government employes, in the executive, judicial and legislative branches, who earn more than $18,000 a year, plus candidates for the House and Senate, to file annual public statements with the comptroller general listing: sources and amount of gross yearly income, to include gifts worth $100 or more, fees for public appearances or writings, and money or services received for subsistence, entertainment and travel; a statement of assets and liabilities; stock, commodities and real estate transactions. Failure to file such a statement could mean a $2,000 fine or five years imprisonment.

• With the White House decision not to seek **liberalization of U.S. trade with Communist nations,** the prospects for Sen. Edmund Muskie's bill (S 1940) to ease trade restrictions have dimmed considerably. A solid bloc of GOP senators can now be expected to oppose this measure, now in committee, which would loosen up current trade restrictions and exclude from shipment to Red nations only goods that are positively "capable of a significant military application which would prove detrimental" to U.S. security.

• The latest group to have a go at the **Safeguard anti-ballistic missile program** is the Senate Foreign Relations Subcommittee on International Organization and Disarmament Affairs, chaired by Sen. Albert Gore (D.-Tenn.). If its members do not have to say the subcommittee's name too often, the program should be cleared for floor action by the end of this month; the House will act on Safeguard after the Senate vote.

• The Administration has agreed to appease the Democrats on its plans for the **future of the "War on Poverty."** Previously committed to a one-year extension of the Office of Economic Opportunity, last week President Nixon agreed to accept a two-year breather; the move was an apparent attempt to reach a compromise with liberal Democrats on the House Education and Labor Committee who have been pushing for a five-year extension for OEO (H 513). In the Senate, meanwhile, there is under consideration a bill (S 1809) authorizing a three-year lease on life for OEO.

• The Nixon Administration, in the person of Agriculture Secretary Clifford Hardin, has come out against the $20,000 **ceiling on individual farm subsidies** tacked onto the agriculture appropriations bill (HR 11612) by House Republicans. The bill must now go to the Senate, where the subsidy ceiling will likely be dropped, as it was after a similar House GOP attempt last year. Hardin claimed that Nixon will have his own farm program ready by September and it will contain some form of limitation on subsidies.

• President Nixon and his postmaster general, Winton Blount, have formally submitted to Congress their plan for **revamping the archaic Post Office system.** Essentially, the Nixon plan would drop the Post Office from the Cabinet and establish a corporation-like independent postal service wholly owned by the federal government. The corporation would receive a public service subsidy, but would hopefully be able to support itself through the fixing of postal rates and service charges, subject to a congressional review. The postal corporation would be run by nine directors, seven of them appointed by the President and the other two named by the presidential appointees.

• The Administration's long-awaited **foreign aid program** has now seen the light of day, with the President requesting a fiscal 1970 aid appropriation of $2.6 billion ($375 million in military aid, $2.2 billion in economic assistance). Last year Congress granted only $1.3 billion of LBJ's requested $2.5-billion foreign aid dole, but Nixon operatives hope to obtain a higher aid appropriation by offering some suggested alterations in the program's administrative machinery. Among these, the President asked Congress to create a privately run Overseas Private Investment Corporation, designed to stimulate private investment in developing nations; also, Nixon asked for a new Technical Assistance Bureau to concentrate on sending nuts-and-bolts technological assistance abroad.

• The Senate Labor and Public Welfare Subcommittee on Labor is pushing ahead with hearings on a bill (S 8) sponsored by its chairman, Sen. Harrison Williams (D.-N.J.), to **extend coverage of the National Labor Relations Act to farm workers;** in effect, this would mean these workers could then organize, unionize, strike and bargain collectively. The bill, partly because of its compulsory unionism provisions, is also one of organized labor's pet projects in the 91st Congress. As a compromise, Nixon's Secretary of Labor George Shultz has proposed creation of a new Farm Labor Relations Board, which would guarantee farm workers' right to organize, but would prevent secondary boycotts against produce growers and help deter crippling strikes at harvest time.

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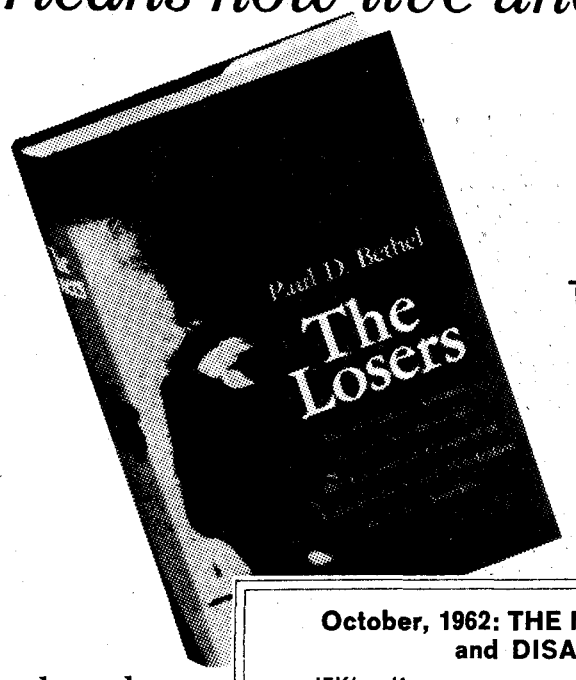

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Author Paul Bethel, one of the best informed men in the world on Latin America, sensed the coming cataclysm when he was stationed at our Embassy in Cuba. He began his massive research for this book in 1958 – *before Castro came to power.* He was an eyewitness to much of what happened. In *The Losers* he tells the *full* incredible story that has been ignored – even suppressed – in U.S. media. Who, precisely, engineered the sellout of Cuba? Who wrecked the invasion? Was there really a missile crisis in 1962 – or an actual prearranged *Soviet deal?* What about the establishment of Cuba as New World headquarters for the spread of Communism through violent revolution? The answers are all here in detail, and much more. Examples:

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